



CPotential Trust

Trustees Report and Financial Statements

For the year ended 31 December 2020

CPotential Trust
(A company limited by guarantee)

**Reference and administrative details of the charity, its trustees and advisers
for the year ended 31 December 2020**

Trustees

Christopher Gilbert, Chair
Anthony Dowle
Timothy Hammett
Raisa Hassan
Catherine Seddon

Chief Executive Officer Brett Parker

Registered Company Number 05848363

Registered Charity Number 1124524

Registered Office 143 Coppetts Road
London
N10 1JP

Independent Auditors Williams Giles Professional Services Ltd
Chartered Accountants
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Bankers Barclays Bank plc
223 Muswell Hill Broadway
London
N10 1DD

Although the year 2020, for us, like many organisations, was dominated by the consequences of the Covid 19 pandemic and a restricted operating environment we have made immense progress in establishing a wide range of evidence based, integrated rehabilitation services, using highly qualified therapists and cutting-edge technology.

2020 followed 3 challenging years which included the closure of our school in July 2019, the board of trustees, working with our new CEO developed our bold and exciting new strategic vision to provide services that are integrated in modality, embedded within the community and accessible to all regardless of financial circumstances or geography.

We were due to launch our business plan for change in March 2020.

Due to the pandemic, we were not able to operate face to face services between March and Sept 2020. In October 2020 services were again allowed, although due to the operational safety of staff, adhering to government guidelines, and keeping our beneficiaries with health conditions and their families safe from exposure or coming into contact with coronavirus our delivery capacity and performance was reduced by 60%

Despite these restrictions we are extremely pleased to have delivered 447 sessions to 71 children and young people between October and December 2020.

Our normal funding environment was also disrupted, with many supporters shifting their funds to help charities with emergency support.

Regular treatments are essential to the children who use our services. The lockdowns have been very hard on them both physically and mentally, with regression in their physical mobility and cognitive development. Therefore, in July 2020, despite the restricted environment and uncertainty on when "normality" would return, we decided that it was in our beneficiaries' best interests to push forward with the execution of our new plan and ensure our post Covid readiness.

Andy's mother said;

"For us, everything we are achieving and learning from our physio sessions at CPotential is helping us to gain one more step closer to an independent future for our child, not only at school but as they go into adulthood and the potential to achieve beyond their abilities if they had not been attending the centre".

Despite the challenges of 2020 we are extremely proud by what we have achieved. We adapted quickly to Covid conditions and revitalising the charities operations. Our team worked hard and we:

- Introduced new staff, equipment, and technology for the delivery of new services (physio, occupational therapy, CIMT, sensory integration, wellbeing and online)
- Introduced new resources and restructured our fundraising department
- Reduced back office overhead costs, introducing new cloud-based HR, Fundraising and Clinical administration systems
- Restructured our retail operations
- Further improved our governance and financial management with the Finance and Investment Committee

We would like to thank all the individuals, staff, trust funds and companies that have supported us this year.

Chris Gilbert



Chair of Trustees

CPotential Trust

Report of the Trustees

For the year ended 31 December 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of CPotential Trust operating as CPotential (the charity and the group) for the year to 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Since the charity and the group qualify as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 is not required for this charity. The reference and administrative information set out on page 2 forms part of this report.

Structure, governance, and management

CPotential is a long-established charity, which was founded as The Hornsey Trust for Handicapped Children in 1963. The charity is a company limited by guarantee (Company Number 05848363) and is governed by its Memorandum and Articles of Association. The Hornsey Trust for Handicapped Children was dissolved, and its assets were duly transferred to the company on 31 December 2008.

The charity is managed by a Board of Trustees and the power of appointing and removing Trustees lies with the Trustees. The Board meets five times a year with various sub-committees meeting in between. Day to day management of the charity is delegated to the Chief Executive Officer and the Senior Leadership Team. The Senior Leadership Team comprised the CEO, Director of Clinical Services, Director of Resources, Director of Fundraising and Director of Finance; two of these positions are part-time.

In 2020 the charity established a Finance and Investment Committee to increase finance oversight and planning. Chaired by Tim Hammett and comprising of Chris Gilbert (Chair of Trustees), Brett Parker (CEO) and (Agnieszka Kosacz) Director of Finance. Reporting to the main board the committee meets monthly and reviews the financial performance and projections in detail and recommends and executes investments.

The recruitment and appointment of Trustees is undertaken on an on-going basis to maintain appropriate numbers and skills. The charity uses an open recruitment process. There is an induction process for new Trustees, which includes an interview with the Chief Executive Officer and the Chair of Trustees, the opportunity to observe a Board meeting, an opportunity to observe the charity's activities first-hand and the provision of various documents such as copies of Board minutes, and Charity Commission guidance and information. The Charity has a trading subsidiary: CPotential Trading Ltd.

Objectives and activities

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. The Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The main objective of the charity is the provision of therapeutic services, support, and advice to children, and their families / carers with movement disorders such as cerebral palsy. Our work integrates physical and occupational therapies. We work from the fundamental ethos that every child can learn and progress, and grow in confidence, skills, and independence. We help each child develop their mobility, motor, sensory, communication, emotional,

problem-solving, and self-help skills. Importantly, we embed these into practical applications to encourage independence.

In 2020 the charity fulfilled its aims and objectives by providing services as follows:

- **Early Intervention sessions:** Delivered through Parent and Child Groups for children aged six months to three years. The sessions develop the child's abilities and embed learned skills into the home environment. Studies show how vital early intervention is to a child's development. This shared experience is transformative for families.
- **Sessions for Older Children:** Group and individual sessions for children and young people that build upon the physical, social and emotional development skills gained from early intervention sessions. The process develops problem-solving and logical thinking skills, enabling the child to be as independent as possible.
- **Learning for Living sessions:** Practical activities for young children and their carers. This focuses on such things as dressing, toileting, meals and play.
- **Music Therapy sessions.** Benefiting children with a wide range of needs, music therapy has a positive impact on a child's physical, cognitive, social and emotional development, building confidence and self-esteem. Music therapy is particularly relevant for children who express nonverbally.
- **Rebound Therapy sessions.** Using a specialist trampoline these one-to-one sessions improve posture, core stability and balance whilst toning muscle and building communication and confidence.
- **Physiotherapy sessions:** Provided by qualified paediatric physio therapists within one-to-one sessions
- **Online sessions.** Developed in response to the Covid 19 pandemic lockdowns we delivered a range of online interventions providing guided exercises, music therapy and parent advice sessions.
- **Mollii Suit Assessment and Fitting:** A Mollii suit is an assistive technology that helps relieve spasticity and improves muscle control.

We also achieved the following:

- Terminating and reassigning leases of unprofitable charity shops, as well as restructuring retail management and staff.
- Reviewing and restructuring fundraising activities and procedures, leading to an expanded and diversified funding mix able to support the new strategy and direction.
- We continued to reduce the charities overhead costs with the introduction of efficiencies and automated back office systems
- The Finance and Investment committee continued to tightly manage the financial performance of the charity by regularly reviewing monthly management accounts and introducing trend analysis and scenario planning.

We are grateful to our funders and supporters who have continued to support our work.

Achievements and performance

Following the recruiting a new CEO in September 2019 with skills in strategic review, change management and organisational renewal and scale-up, a new vision, strategy and business plan was developed, its aims being as follows:

Within 24 months we planned to have a range of holistic integrated therapies and sharply focused support services that are:

- Evidenced by outcomes
- Accessible and affordable for all
- Leading our sector

Our charity will be:

- Robust. An exemplar of working conditions and professional development
- Sustainable. With diversified funding from various income sources
- Connected. Integrated with advice, guidance, and partnership signposting
- Scalable. Transferrable processes and services, easily introduced into new settings
- Forward-thinking. Embracing and testing new ideas and technologies to improve outcomes
- Collaborative. Partnering and complementing existing service providers and centres of research

The evidenced based, blended integration of services will enable us to:

- Attract funding
- Influence and gain statutory commissioning
- Develop a "plug and play" branded service which can be easily installed into other centres/partnerships, generating revenues for quality control, licensing and training
- Supply packages of service to the NHS.

Our integrated services will look at the whole needs of our beneficiaries and provide a "One Stop Shop" with

- A reproduceable "Plug & Play" Delivery Model
- The highest quality of evidenced services
- Ground breaking technology
- Services that are affordable and reachable for all
- Community partnership integrated

Following the preparatory work in late 2019 a plan of action was formed. In March 2020 we were due to launch our new business plan to deliver upon this strategy.

The Covid 19 pandemic lockdown between March and July 2020 prevented this. No service provision was allowed. We furloughed our front line staff and with the assistance of the City Bridge Trust we were able to launch a suite of online services in June 2020.

With the partial easing of the initial lockdown in July 20 we made the decision to push ahead with the new business plan. Although we understood that Covid restrictions would repress our service capacity and uptake we decided to ready ourselves for the return of normal conditions. We, therefore, recruited and trained new front line staff accordingly, reequipped the centre and began marketing campaigns for new clients.

The suite of new integrated services were launched in October 2020, albeit with reduced capacity. These services gave 447 sessions to 71 children and young people between October and December 2020.

Both individual and group sessions were offered. A bursary system was introduced to provide sessions either free of charge or at reduced cost. Despite lockdowns and Covid restrictions we received an average of 3 requests per week for new children to be assessed for services.

What our families have said about us:

The advice, support and care we receive is priceless and the variety of activities is endless making them a 360 facility where they can help every aspect of Ivy difficulties. CPotential is the first place of choice for our daughter , I will never

be able to thank them enough for everything they have done and still do for our all family. We feel truly blessed to be part of the CPotential family - Ivy's mum.

Sara has now been walking for around six months and I'm certain this would not have happened as quickly as it did if it weren't for the help she received during sessions at CPotential. Her hand-eye coordination has improved, and reaching with both hands, but most noticeably, her confidence. CPotential has most definitely exceeded our expectations" - Sara's mum.

For us, everything we are achieving and learning from our physio sessions at CPotential is helping us to gain one more step closer to an independent future for our child, not only at school but as they go into adulthood and the potential to achieve beyond their abilities if they had not been attending the centre" - Andy's mum.

The Covid 19 pandemic has had a severe impact upon our fundraising capacity as funders shifted their support to emergency relief. We continued to receive funding from trusts and foundations albeit it at a reduced level from the previous year (see page 6 for details).

Our supporters were unable to raise the income levels which we had, pre Covid projected as challenge events such as the London Marathon did not take place. See page 6 for a comparative breakdown.

In line with our new strategy, we employed a new director of fundraising in September 2020. Their remit being to increase and diversify our funding streams and reactivate previous funding sources.

We were able to utilise the government furlough scheme and other government support (see page 6 for details).

Financial review

When reviewing the 2020 financial performance it should be noted that the charity had an exceptional source of income in 2019 in the form of proceeds from the sale of land, which provided a capital gain of £1,249,418. All income levels were suppressed by the Covid 19 pandemic lockdowns and restrictions £364,080 (2020) v £476,396 (2019) (see page 6 for breakdown)

Despite investing in the staff and resources to launch our new services and fundraising initiatives we still achieved an 5% reduction in charitable expenditure in the year £709,061 (2020) v £750,185 (2019).

The Charity received £151,598 from the government furlough support.

Income from all sources has been used to support the delivery of the charity's key objectives and to develop a strategy and deliver a business plan that ensures sustainable growth and the best possible impact for our beneficiaries.

Trading (Charity Shops): The Covid 19 pandemic and lockdowns severely affected our ability to trade. During 2020 we completed our restructure of our trading shops. Following analysis, we closed the loss-making shops in Essex Road and Chapel Market, concentrating our resources on one shop in Crouch End. We appointed new staff and management. We also received £93,053 of government furlough support. Actual trading income was £144,675 (2020) v £179,875 (2019) making the total revenues £237,728 (2020) v £179,875 (2019). The financial net loss decreased to -£4,340 (2020) from -£100,673 (2019).

The shop closures and reassignments of leases were completed in March 2021 and trading is now showing a small monthly profit.

Fundraised income: The Covid 19 pandemic had a severe impact on our fundraising for several reasons.

- In July 2019 we discontinued our main activity (Woodstar School). The launch of new services that would attract additional fundraising was delayed and restricted by the Covid lockdowns.

- Funders switched their support to crisis funding. CPotential having the cash benefit of the previous year's land sale resulted in us falling outside this category.
- The restructure and reinforcement of the fundraising team was delayed.
- Community and challenge events were not able to take place.

The Charity income breakdown is as follows:

	2020		2019
Total income	£364,080	v	£476,396
Trusts and foundations	£161,797	v	£222,403
Individual donations	£22,487	v	£26,231
Company donations	£200	v	£20,021
Income from fees	£22,436	v	£143,423
Covid-19 Gov support grant	£151,598	v	£nil
Trading income (charity shops)	£144,675	v	£179,875

Expenditure: We reduced our expenditure on normal operations by 5.5%.

Charitable expenditure decreased to £709,061 (2020) v £750,185 (2019).

The cost of raising funds also decreased by 7% £408,897 (2020) v £439,648 (2019).

The above income and expenditure figures resulted in a loss for the year of £528,317

Surplus / Loss: 2020 was a challenging year, however we used our time and resources to push forward with restructuring the Charity and introducing new services and resources. This has placed us in a good position for growth as the pandemic restrictions lift.

Bearing the above in mind, and after making appropriate enquiries, the Trustees are confident that the charity has adequate resources to continue in operational existence. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the going concern basis can be found in the Accounting Policies in Note 1 to the Accounts.

Plans for 2021 and beyond

Our decision to equip and grow our new services in 2020 will be advantageous to our growth as restrictions ease. We can then consolidate our services, increase service users and partnerships.

We will continue to develop our strategy to generate growth:

- a) geographically by exploring areas where our services are needed
- b) within our fundraising operations by forming new fundraising methods, sponsorships and partnerships
- c) we intend to further introduce new therapies, innovative technologies and effective soft support services that are interconnected. We remain mindful of the financial challenges within the sector and our priority remains to create a sustainable model for service provision that can be replicated. The specific new services we plan to introduce in 2021 and 2022 are:
 - Physiotherapy Intensive blocks of targeted physiotherapy, intensive rehabilitation for clients who have undergone selective dorsal rhizotomy (SDR) surgery and constraint induced movement therapy (CIMT)
 - Occupational therapy.
 - Speech and language therapy.
 - Wellbeing support for families
 - Educational Healthcare planning services

- Funding support for families
- Lokomat therapy using robotic equipment to help people learn to walk

Risk management

Trustees consider a risk assessment register at every meeting, and this is regularly updated and reviewed by the Senior Leadership Team. This constitutes a regular review of the major risks to which the charity is exposed. All of these risks are identified and placed on the register. Where appropriate, systems or procedures are established to manage the risks the charity faces.

The culture of the charity is that risk management systems are absorbed into the organisation's daily operations through regular discussion by the Senior Leadership Team and through our policies and procedures. Internal control risks are minimized by the implementation of procedures for the authorization of all financial transactions and projects. Procedures are also in place to ensure compliance with the health and safety and wellbeing of staff, children, and visitors to the charity.

Investment policy

The charity's portfolio was liquidated in the summer of 2017. No investments were held during 2019 - 2020. It is planned that the charity will again wish to invest some funds resulting from the sale of land in 2019. It is expected that a balanced investment will be made in early 2021. Our new board of trustees includes individuals with considerable financial and investment experience. A specialist Trustee investment subcommittee has been formed to ensure the best use of our reserves and develop an investment policy which reflects our needs.

Reserves policy

The Trustees have determined a reserves policy in the light of the need to maintain a secure and predictable provision of services to young people with disabilities. Specifically, the policy is to seek to maintain sufficient free reserves to allow the charity to cope with seasonal variations in cash flow and with the types of unexpected expenditure and non-receipt of budgeted income that can typically occur in a charity of our type and size. Having analysed the risks of such eventualities occurring, the Trustees believe that a general reserve of between 3 and 6 months budgeted total expenditure for the current year is appropriate. We were compliant with this policy at the end of 2020.

Designated reserves are also kept, providing for funds invested in fixed assets and for specific needs identified by the Trustees including cyclical maintenance, innovation and investment in our trading subsidiary, as set out in note 14 to the accounts.

Over the next 24 months, our new strategy and business plan will move us to secure, sustainable and effective services; fundraising activity and designated reserves will be used to facilitate the growth of new resources, people, and equipment.

Remuneration of senior staff policy

Our policy is to seek to pay key staff at a level that is competitive in the employment market to be able to attract and retain high quality personnel who will contribute to the expansion and strategic direction of the charity. The Trustees approve the salaries budget for each calendar year before the start of the year. The Chair of Trustees decides any changes in the Chief Executive's salary based on a review of performance against the objectives set for the foregoing period and available budget. The Chief Executive approves the salaries of other key staff considering, their performance, current market rates and available budget.

Related parties and connected organisations

There are no issues regarding related parties and connected organisations.

Statement of responsibilities of the Trustees

With regard to the attached accounts, it is the responsibility of the Trustees to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

Guarantees

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantors at 31 December 2018 was 10. The Trustees have no beneficial interest in the charitable company.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Trustees wish to continue the appointment of the charity's auditors, Williams Giles Professional Services Ltd who have indicated their willingness to continue in that capacity.

Approved by the Trustees on 31st October 2021 and signed on their behalf by



Christopher Gilbert – Chair

CPOTENTIAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020

Opinion

We have audited the financial statements of CPotential Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

CPOTENTIAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

CPOTENTIAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of an audit in accordance with ISAs (UK), exercise professional judgement and maintain professional scepticism through the audit. We also:

1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities due to the low volume, high value nature of projects undertaken.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Crawford FCA (Senior Statutory Auditor)
Williams Giles Professional Services Ltd
Chartered Accountants and Statutory Auditors
Sittingbourne
Kent
ME10 5BH

Date: 22 November 2021

Williams Giles Professional Services Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**Consolidated statement of financial activities
incorporating income and expenditure account
for the year ended 31 December 2020**

	Note	<u>Discontinued activities</u>		<u>Continued activities</u>		Total funds 2020 £	<i>Total funds 2019 £</i>
		<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>		
		funds 2020 £	funds 2020 £	funds 2020 £	funds 2020 £		
Income from:							
Donations and capital grants	2	-	-	144,451	40,033	184,484	268,655
Other income (incl. Covid-19 gov gr	2,3	-	-	244,651	-	244,651	-
Trading activities	3	-	-	144,675	-	144,675	179,875
Other activities to generate funds	4	-	-	-	-	-	60,024
Charitable activities	5	-	-	22,436	-	22,436	143,423
Gain on sale of land	6	-	-	-	-	-	1,249,418
Investments	7	-	-	1,506	-	1,506	-
Total income		-	-	557,719	40,033	597,752	1,901,395
Expenditure on:							
Raising funds	8	-	-	408,897	-	408,897	439,648
Charitable activities	8	-	-	666,843	42,218	709,061	750,185
Other expenditure	9	-	-	-	15,043	15,043	-
Other expenditure: prepayments on discontinued project written off		-	-	-	-	-	-
Total expenditure		-	-	1,075,740	57,261	1,133,001	1,189,833
Net income / (expenditure) before other gains and losses		-	-	(518,021)	(17,228)	(535,249)	711,562
Net movement in funds		-	-	(518,021)	(17,228)	(535,249)	711,562
Reconciliation of funds:							
Total funds brought forward		(231,283)	-	2,372,952	37,596	2,179,265	1,467,703
Total funds carried forward		(231,283)	-	1,854,931	20,368	1,644,015	2,179,265

The notes on pages 19 to 32 form part of these financial statements.

**Charity statement of financial activities
incorporating income and expenditure account
for the year ended 31 December 2020**

	Note	Discontinued activities		Continued activities		Total funds 2020 £	Total funds 2019 £
		Unrestricted funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Restricted funds 2020 £		
Income from:							
Donations and capital grants	2	-	-	144,451	40,033	184,484	268,655
Other income (incl. Covid-19 gov grant)	2	-	-	151,598	-	151,598	-
Donation of profits from trading subsidiary	3	-	-	-	-	-	-
Activities to generate funds	4	-	-	-	-	-	60,024
Charitable activities	5	-	-	22,436	-	22,436	143,423
Gain on sale of land	6	-	-	-	-	-	1,249,418
Investments	7	-	-	5,562	-	5,562	4,294
Total income		-	-	324,047	40,033	364,080	1,725,814
Expenditure on:							
Raising funds	8, 9	-	-	168,293	-	168,293	163,394
Charitable activities	8, 9	-	-	666,843	42,218	709,061	750,185
Other expenditure	8, 9	-	-	-	15,043	15,043	-
Other expenditure: prepayments on discontinued project written off		-	-	-	-	-	-
Total expenditure		-	-	835,136	57,261	892,397	913,579
Net income / (expenditure) before other gains and losses		-	-	(511,089)	(17,228)	(528,317)	812,235
Net movement in funds		-	-	(511,089)	(17,228)	(528,317)	812,235
Reconciliation of funds:							
Total funds brought forward		(231,283)	-	2,524,875	37,596	2,331,188	1,518,953
Total funds carried forward		(231,283)	-	2,013,786	20,368	1,802,871	2,331,188

The notes on pages 19 to 32 form part of these financial statements.

Consolidated and charity balance sheets as at 31 December 2020

	Note	Consol- idated 2020 £	Consol- idated 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	12	<u>1,175,216</u>	<u>1,174,491</u>	<u>1,170,490</u>	<u>1,167,423</u>
		<u>1,175,216</u>	<u>1,174,491</u>	<u>1,170,490</u>	<u>1,167,423</u>
Current assets					
Debtors	13	29,206	52,568	187,262	230,022
Prepayments and accrued income	13	42,083	34,131	23,428	7,769
Cash at bank and in hand		<u>486,785</u>	<u>1,009,550</u>	<u>473,369</u>	<u>978,620</u>
		<u>558,074</u>	<u>1,096,249</u>	<u>684,059</u>	<u>1,216,411</u>
Creditors: amounts falling due within one year	14	<u>(70,608)</u>	<u>(72,809)</u>	<u>(51,678)</u>	<u>(52,646)</u>
Net current assets		<u>487,466</u>	<u>1,023,440</u>	<u>632,381</u>	<u>1,163,765</u>
Total assets less current liabilities		1,662,682	2,197,931	1,802,871	2,331,188
Creditors: amounts falling due after more than one year		(18,667)	(18,667)	-	-
Net assets	17	<u><u>1,644,015</u></u>	<u><u>2,179,264</u></u>	<u><u>1,802,871</u></u>	<u><u>2,331,188</u></u>
Charity funds					
Restricted funds	15	20,368	37,596	20,368	37,596
Unrestricted funds	15	<u>1,623,647</u>	<u>2,141,668</u>	<u>1,782,503</u>	<u>2,293,592</u>
Total funds		<u><u>1,644,015</u></u>	<u><u>2,179,265</u></u>	<u><u>1,802,871</u></u>	<u><u>2,331,188</u></u>

The financial statements were approved by the Trustees on 31/10/21 and signed on their behalf by:


Christopher Gilbert, Chair

The notes on pages 19 to 32 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2020

	Total funds 2020 £	Total funds 2019 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(464,852)	(650,227)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(57,913)	(35,658)
Proceeds from sale of property, plant and equipment	1,660,000	1,660,000
Net cash provided by (used in) investing activities	(57,913)	1,624,342
Loans over 12 months taken out /(repaid)	-	(100,000)
Rent deposit over 12 months received	18,667	18,667
Change in cash and cash equivalents in the reporting period	(504,098)	892,782
Cash and cash equivalents at the beginning of the reporting period	1,009,550	116,448
Cash and cash equivalents at the end of the reporting period	486,785	1,009,550

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(535,249)	711,562
Adjustments for:		
Depreciation charges	57,188	55,527
Income from sale of leasehold facilities	-	(60,000)
Gain on sale of freehold land	-	(1,249,418)
The notes on pages 19 to 32 form part of these financial statements.	15,410	(30,218)
(Decrease)/increase in creditors	(2,201)	(77,680)
Net cash used in operating activities	(464,852)	(650,227)

Notes to the financial statement for the year ended 31 December 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Statements of financial activities (SOFAs) and Balance sheets are presented for both the group and the charity. The group statements consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Company status and General Information

The charity is a company limited by guarantee and registered in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1.3 Basis of consolidation

The financial statements consolidate the accounts of CPotential Trust operating as Cpotential and Cpotential Trading Ltd which is its only subsidiary undertaking.

The charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.4 Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs.

Notes to the financial statements for the year ended 31 December 2020

1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income received by way of donations are included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.

Income from the sales of goods is accounted for when the goods are sold.

Grants are recognised in full in the statement of financial activities in the year in which they are receivable.

Nursery, school and special care fees shown in the statement of financial activities are accounted for in the period in which the service is provided. Fees received in advance are included in creditors as deferred income.

1.6 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the full-time equivalent number of staff working in each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The costs of generating funds relate to the cost incurred by the group and charity in raising funds for the charitable work.

1.7 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Notes to the financial statements for the year ended 31 December 2020

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold land and buildings	-	2% straight line basis on buildings only
Building improvements	-	5% straight line basis
Fixtures and fittings	-	20% straight line basis
Furniture and equipment	-	33% straight line basis

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

1.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.11 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Government Grants

Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company are recognised as income in the period in which it becomes receivable on an accruals basis and recognised immediately in profit and loss.

Notes to the financial statement for the year ended 31 December 2020

2. Income from donations, legacies and grant income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Group and Charity				
Donations from trusts and foundations	121,764	40,033	161,797	222,403
Donations from companies	200	-	200	20,021
Donations from individuals	22,487	-	22,487	26,231
Grants income (Covid-19 grant)	151,598	-	151,598	-
	<u>296,049</u>	<u>40,033</u>	<u>336,082</u>	<u>268,655</u>
Group and Charity 2019	<u>225,655</u>	<u>43,000</u>	<u>268,655</u>	

All of the above income was received by the charity so the group and charity tables are identical.

3. Income and expenditure from trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Group				
Trading income				
Sale of good in charity shops	144,675	-	144,675	155,079
Commission for sale of Mollie suits	-	-	-	2,024
Other income	-	-	-	22,772
Covid-19 gov grant	93,053	-	93,053	-
	<u>237,728</u>	<u>-</u>	<u>237,728</u>	<u>179,875</u>
Trading expenditure				
Salaries and National Insurance	88,318	-	88,318	51,609
Rent of retail shops	124,211	-	124,211	128,701
Other expenses	29,284	-	29,284	90,652
Depreciation on tangible fixed assets	2,847	-	2,847	5,292
	<u>244,660</u>	<u>-</u>	<u>244,660</u>	<u>276,254</u>
Net income/(loss) from trading activities	<u>(6,932)</u>	<u>-</u>	<u>(6,932)</u>	<u>(96,379)</u>
Net income/(loss) from trading activities 2019	<u>(96,379)</u>	<u>-</u>	<u>(96,379)</u>	

Charity - All of the above income was received by the trading subsidiary. The charity has no trading income or expenditure.

Notes to the financial statement for the year ended 31 December 2020

4. Income from other activities to generate funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Group and Charity				
Sale of leasehold facilities	-	-	-	60,000
Sale of leasehold facilities 2019	60,000	-	60,000	
Merchandise fundraising				
Sale of Christmas cards	-	-	-	24
	-	-	-	24
Merchandise fundraising 2019	24	-	24	

All of the above income was received by the charity so the group and charity tables are identical.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Group and Charity				
Primary special school	-	-	-	115,173
Early intervention and sessional services	22,436	-	22,436	28,250
Income from charitable activities	22,436	-	22,436	143,423
Income from charitable activities 2019	143,423	-	143,423	

All of the above income was received by the charity so the group and charity tables are identical.

6. Gain on sale of land

During 2019 we sold a piece of vacant land that previously formed about half of our main site at Coppetts Road but did not include our centre building. The sale price was £1,600,000 but selling the land reduced the value of the site belonging to the charity by around £350,000 so the gain on the sale was £1,249,418, the figure shown in our Statement of Financial Affairs.

Notes to the financial statement for the year ended 31 December 2020

7. Investment income

Group	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	1,506	-	1,506	-
Loan interest	-	-	-	-
Loan interest 2019	-	-	-	-
Charity				
Dividend income from investments	-	-	-	-
Bank interest	1,506	-	1,506	-
Intercompany loan interest	4,056	-	4,056	4,294
Investment income 2020	5,562	-	5,562	4,294
Investment income 2019	4,294	-	4,294	

8. Expenditure analysis by function and type of funding

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Raising funds				
Donations, legacies and capital grants	168,293	-	168,293	158,147
Trading activities	240,604	-	240,604	276,254
Other activities to generate funds	-	-	-	5,247
	408,897	-	408,897	439,648
Charitable activities				
Primary special school	-	-	-	346,456
Early intervention and sessional services	657,257	42,218	699,475	336,691
Parents information project	-	-	-	8,540
Charity governance	9,586	-	9,586	58,498
	666,843	42,218	709,061	750,185
Other expenditure				
Capital project and campaign	-	15,043	15,043	-
Total expenditure - Group	1,075,740	57,261	1,133,001	1,189,833
Total expenditure - Charity	835,136	57,261	892,397	913,579

Total expenditure in the charity is equal to total expenditure in the group less expenditure on trading activities.

Notes to the financial statement for the year ended 31 December 2020

9. Expenditure analysis of direct and support costs

Group	Cost of raising funds £	Cost of charitable activities £	Other costs £	Support costs £	Total 2020 £	Total 2019 £
Staff costs (charity)	82,082	287,233	6,616	288,820	664,751	641,105
Staff costs (trading)*	88,318	-	-	-	88,318	51,609
Other trading costs*	148,286	-	-	-	148,286	223,145
School direct costs	-	-	-	-	-	38,730
Other service costs	-	31,778	-	-	31,778	18,708
Fundraising - voluntary	24,189	-	-	-	24,189	17,693
Fundraising - events	-	-	-	-	0	5,247
Running capital project	-	-	4,933	-	4,933	-
Capital project write-off	-	-	-	-	-	-
Investment management	-	-	-	78	78	-
Audit	4,000	6,600	-	-	10,600	9,660
Other governance costs	-	1,081	-	-	1,081	41,569
Communications	-	-	-	5,766	5,766	3,415
Depreciation	-	-	-	54,523	54,523	50,235
Premises, office & IT	-	-	-	56,962	56,962	64,172
Management & HR	-	-	-	39,346	39,346	19,644
Financial administration	-	-	-	2,390	2,390	4,901
	<u>346,875</u>	<u>326,692</u>	<u>11,549</u>	<u>447,885</u>	<u>1,133,001</u>	<u>1,189,833</u>
Support costs	<u>62,022</u>	<u>382,369</u>	<u>3,494</u>	<u>-447,885</u>	<u>-</u>	<u>-</u>
Total expenditure 2020	<u>408,897</u>	<u>709,061</u>	<u>15,043</u>		<u>1,133,001</u>	<u>1,189,833</u>
Total expenditure 2019	<u>439,648</u>	<u>750,185</u>	<u>-</u>		<u>1,189,833</u>	

Charity - All of the above expenditure was incurred by the charity apart from the two trading costs lines and £4,000 in the audit line.

Notes to the financial statement for the year ended 31 December 2020

10. Net incoming resources/(resources expended)

This is stated after charging:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Depreciation on tangible fixed assets	57,188	55,527	54,342	50,235
Auditor's remuneration	10,600	9,660	6,600	8,160
Auditor's remuneration - non-audit	-	-	-	-
Pension costs	14,999	12,458	14,006	12,174

During the year, no Trustees received any remuneration (2019: £NIL).

During the year, no Trustees received any benefits in kind (2019: £NIL).

No Trustees received reimbursement of expenses in 2020, (2019: £NIL).

11. Staff costs

Staff costs were as follows:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	688,134	626,361	606,751	576,755
Social security costs	63,359	53,895	57,417	52,176
Pension costs	14,999	12,458	14,006	12,174
	766,492	692,714	678,174	641,105

The average number of people employed by the charitable group during the year was as follows:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	No.	No.	No.	No.
School	0	6		6
Early intervention and sessional services	12	4	12	4
Fundraising	2	2	2	2
Retail shops	3	6	-	-
Support	9	7	9	7
	26	25	23	19

One employee received remuneration amounting to more than £60,000 in the year. The employee was paid in the £60,000-£69,999 band. In the prior year, no staff were paid over £60,000.

During the year there was £3,000 goodwill payment to Gillespie, no other severance or redundancy were paid (2019 - £2,818)

Notes to the financial statement for the year ended 31 December 2020

12. Tangible fixed assets

	Land & buildings £	Furniture & equipment £	Fixtures & fittings £	Total £
Group				
Cost				
At 1 January 2020	1,206,691	206,819	118,134	1,531,644
Additions	-	53,298	4,615	57,913
Disposals	-	(16,405)	-	(16,405)
At 31 December 2020	<u>1,206,691</u>	<u>243,712</u>	<u>122,749</u>	<u>1,573,152</u>
Depreciation				
At 1 January 2020	108,807	189,905	58,441	357,153
Charge for the year	21,154	13,026	23,008	57,188
On disposals	-	(16,405)	-	(16,405)
At 31 December 2020	<u>129,961</u>	<u>186,526</u>	<u>81,449</u>	<u>397,936</u>
Net book value				
At 31 December 2020	<u>1,076,730</u>	<u>57,186</u>	<u>41,300</u>	<u>1,175,216</u>
At 31 December 2019	<u>1,097,884</u>	<u>16,914</u>	<u>59,693</u>	<u>1,174,491</u>
Charity				
Cost				
At 1 January 2020	1,170,474	184,409	110,228	1,465,111
Additions	-	52,793	4,615	57,408
Disposals	-	-	-	-
At 31 December 2020	<u>1,170,474</u>	<u>237,202</u>	<u>114,843</u>	<u>1,522,519</u>
Depreciation				
At 1 January 2020	72,590	173,500	51,597	297,687
Charge for the year	21,154	10,899	22,289	54,342
On disposals	-	-	-	-
At 31 December 2020	<u>93,744</u>	<u>184,399</u>	<u>73,886</u>	<u>352,029</u>
Net book value				
At 31 December 2020	<u>1,076,730</u>	<u>52,803</u>	<u>40,957</u>	<u>1,170,490</u>
At 31 December 2019	<u>1,097,884</u>	<u>10,909</u>	<u>58,631</u>	<u>1,167,424</u>

Notes to the financial statement for the year ended 31 December 2020

13. Debtors

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	121,000	150,000
Due within one year				
Outstanding fees	3,250	16,350	3,250	16,350
Amounts owed by group undertakings	-	-	63,012	55,546
Tax and social security				
Other debtors	25,955	28,092	-	-
Prepayments	20,635	34,131	1,980	7,769
Accrued income	21,448	8,126	21,448	8,126
	71,289	86,699	210,690	237,791

Included in the amounts due to the charity from group undertakings is a loan of £156,000 from CPotential Trading Ltd, a wholly owned subsidiary of the charity. The loan bears interest at the rate of 2.5% above the Bank of England base rate.

14. Creditors

Amounts falling due within one year

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	13,589	28,537	11,804	23,758
Tax and social security	18,021	15,466	17,065	14,966
Other creditors	3,276	3,789	3,276	3,789
Accruals	22,799	12,094	19,533	10,133
Loan from a corporate supporter	-	-	-	-
Deferred income	12,923	12,923	-	-
	70,608	72,809	51,678	52,646

Amounts falling due after more than one year

Rent deposit	18,667	18,667	-	-
Loan from a trust	-	-	-	-
	18,667	18,667	-	-

This loan is an intercompany loan from the Parent to the Trading arm.

Notes to the financial statement for the year ended 31 December 2020

15. Statement of funds

	Brought forward £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Carried forward £
Restricted funds						
Capital campaign fund	24,638	-	(15,043)	-	-	9,595
Equipment fund	12,958	25	(2,210)	-	-	10,773
Early intervention fund	-	40,008	(40,008)	-	-	-
Music therapy fund	-	-	-	-	-	-
	<u>37,596</u>	<u>40,033</u>	<u>(57,261)</u>	<u>-</u>	<u>-</u>	<u>20,368</u>
Designated funds						
Land & building reserve	1,175,000	-	-	-	-	1,175,000
Redevelopment reserve	-	-	-	-	-	-
Maintenance reserve	140,000	-	-	-	-	140,000
Retail reserve	185,000	-	-	-	-	185,000
Innovation reserve	250,000	-	-	-	-	250,000
Events reserve	30,000	-	-	-	-	30,000
General funds	<u>361,668</u>	<u>557,719</u>	<u>(1,075,740)</u>	<u>-</u>	<u>-</u>	<u>(156,353)</u>
Total unrestricted	<u>2,141,668</u>	<u>557,719</u>	<u>(1,075,740)</u>	<u>-</u>	<u>-</u>	<u>1,623,647</u>
Total of funds	<u>2,179,264</u>	<u>597,752</u>	<u>(1,133,001)</u>	<u>-</u>	<u>-</u>	<u>1,644,015</u>
Restricted funds 2019						
Capital campaign fund	24,638	-	-	-	-	24,638
Equipment fund	19,292	-	(6,334)	-	-	12,958
Early intervention fund	-	40,000	(40,000)	-	-	-
Music therapy fund	-	3,000	(3,000)	-	-	-
Parents podcasts fund	-	-	-	-	-	-
	<u>43,930</u>	<u>43,000</u>	<u>(49,334)</u>	<u>-</u>	<u>-</u>	<u>37,596</u>
Designated funds 2019						
Land & building reserve	1,267,249	-	-	-	(92,249)	1,175,000
Redevelopment reserve	246,702	-	-	-	(246,702)	-
Maintenance reserve	-	-	-	-	140,000	140,000
Retail reserve	-	-	-	-	185,000	185,000
Innovation reserve	-	-	-	-	250,000	250,000
Events reserve	-	-	-	-	30,000	30,000
General funds 2019	<u>(90,178)</u>	<u>1,858,395</u>	<u>(1,140,500)</u>	<u>-</u>	<u>(266,049)</u>	<u>361,668</u>
Total unrestricted 2019	<u>1,423,773</u>	<u>1,858,395</u>	<u>(1,140,500)</u>	<u>-</u>	<u>-</u>	<u>2,141,668</u>
Total of funds 2019	<u>1,467,703</u>	<u>1,901,395</u>	<u>(1,189,833)</u>	<u>-</u>	<u>-</u>	<u>2,179,264</u>

Notes to the financial statement for the year ended 31 December 2020

16. Statement of funds (continued)

Purposes of restricted funds

Capital campaign fund	The capital campaign fund consists of monies donated for the development of an extension and improvements to the Centre's building.
Equipment fund	The equipment fund consists of monies donated for the purchase of small items and capital items for the front-line services.
Early intervention fund	The early intervention fund consists of monies received for delivering our pre-school and outreach services.
Music therapy fund	The music therapy fund consists of monies received for the provision of music therapy.
Parents podcasts fund	The parents podcasts fund consists of monies received for the provision of podcasts with helpful information for parents of children with disabilities.

Purposes of designated funds

Land & building reserve	The land and building reserve represents the unrestricted funds invested in the charity's freehold land and buildings plus an allowance for forthcoming additions which are not therefore available for other purposes.
Redevelopment reserve	The redevelopment reserve consisted of monies set aside by the Trustees for the development of a major extension to the charity's building, but it has now been closed because it was not possible to proceed with that plan.
Maintenance reserve	The maintenance reserve is monies set aside by the Trustees for the future maintenance of the charity's land and buildings.
Retail reserve	The retail reserve represents money loaned to the charity's trading subsidiary company and therefore not available for other purposes.
Innovation reserve	The innovation reserve is monies set aside by the trustees in order to be able to pilot new activities that do not yet have funding including new services, new partnerships and new fundraising programmes.
Events reserve	The events reserve is money set aside to allow for the organising of fundraising and promotional events where costs have to be paid out before income is received.

Notes to the financial statement for the year ended 31 December 2020

17. Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tangible fixed assets	1,165,621	9,595	1,175,216	1,174,491
Current assets	547,301	10,773	558,074	1,096,249
Creditors due within one year	(70,609)	-	(70,609)	(72,809)
Creditors due after one year	(18,667)	-	(18,667)	(18,667)
	<u>1,623,647</u>	<u>20,368</u>	<u>1,644,015</u>	<u>2,179,264</u>
Tangible fixed assets 2019	1,149,853	24,638	1,174,491	
Current assets 2019	1,083,291	12,958	1,096,249	
Creditors due within one year 2019	(72,809)	-	(72,809)	
Creditors due after one year 2019	(18,667)	-	(18,667)	
	<u>2,141,668</u>	<u>37,596</u>	<u>2,179,264</u>	

18. Operating lease commitments

At 31 December 2020 the total of the future minimum annual lease payments under non cancellable operating leases was:

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Within 1 year	-	-	80,762	87,750
Between 1 and 5 years	-	-	234,650	252,351
More than 5 years	-	-	166,320	222,312
	<u>-</u>	<u>-</u>	<u>481,732</u>	<u>562,413</u>

19. Related party transactions

There was one related party transaction. A therapy equipment called Mollii Suits was transferred from the Trading arm to the Parent company at the cost of £5,000. It was a cash free transaction and the amount reduced the balance of the intercompany loan.

20. Subsidiaries

Company name	Country	Company number	Description	Percentage shareholding
CPotential Trading Ltd	England	05544962	Retail shops selling donated goods	100%