

CPotential Trust
(A company limited by guarantee)
Trustees report and financial statements for the year ended 31 December 2021

Registered Company Number: 05848363
Registered Charity Number: 1124524



CPotential Trust

Trustees Report and Financial Statements
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**Reference and administrative details of the charity, its trustees and advisers
for the year ended 31 December 2021**

Trustees

Christopher Gilbert, Chair
Anthony Dowle
Timothy Hammett
Raisa Hassan
Catharine Seddon
Deborah Trigg

Chief Executive Officer Brett Parker

Registered Company Number 05848363

Registered Charity Number 1124524

Registered Office 143 Coppetts Road
London
N10 1JP

Independent Auditors Xinadin Audit Limited
Chartered Accountants
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

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

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Report of the Trustees

For the year ended 31 December 2021

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 2021. 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, Clinical Services Manager, 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 (Trustee) 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 2021 the charity fulfilled its aims and objectives by providing services as follows:

- **Physiotherapy:** Regular physiotherapy encourages movement and balance, helping to strengthen muscles and joints and reinforces stability and positioning. Our physiotherapy utilises evidence-based task training to provide fun and motivating repetition to get the task practice to improve motor functions such as walking. We also provided tailored intensive pre- and post-SDR surgery physiotherapy. In 2021 we delivered 755 physiotherapy sessions.

"It makes all the difference, having a tailor-made physio session with his therapist who understands the benefits of making each session fun whilst encouraging him to work hard, helping him to realise and reach his full potential, while as parents we struggle trying to encourage our child to complete regular exercise. The use of equipment at CPotential like the "Spider cage" has really helped our son to improve his muscle strength and balance, which we were really struggling to do at home." Andy's mum

- **Upper Limb Therapy, CIMT (Constraint Induced Movement Therapy) and Bimanual Skills Training:** Functional hand skills work form part of all integrated therapy sessions at CPotential. We delivered a range of therapy packages focusing on hand skills for children with motor disorders, and to increase and maximise the use of two hands together - needed for day-to-day activities like feeding, dressing, writing, and play.
- **Music Therapy:** we are very grateful to The Amy Winehouse Foundation for their continuing support of our Music Therapy service which has such a positive impact on children's physical, cognitive, social, and emotional development and gives children new opportunities to express themselves, leading to increased confidence and self-esteem. It is also a psychological therapy in which behavioural and emotional difficulties can be explored and worked with. In 2021 we delivered 317 music therapy sessions.

"We are extremely grateful to have been awarded funded music therapy sessions through the Amy Winehouse Foundation. Our son absolutely adores his therapist and we have watched him grow in confidence with his speech and singing. Watching him so happy and free to express himself through music therapy is an absolute joy." Ruairi's mum

- **Conductive Education:** With the support of the BBC Children in Need fund we helped children improve their mobility and problem-solving skills to tackle everyday tasks. Improving their communication skills to express their feelings and needs and helping them to build friendships and gain social interaction skills while having fun and building their self-esteem. In 2021 we delivered 1,193 sessions of conductive education.

"CPotential has aided Edith's physical development as well as her emotional and social development. Since we started, Edith has learnt to walk, climb, run, jump, and use various play equipment. She has made wonderful friends at CPotential, and her social skills have progressed immensely." Edith's mum

- **Occupational Therapy and Sensory Integration** provides support for physical, sensory, or cognitive problems that prevent children and young people from participating in the activities of everyday life. Through the therapeutic use of everyday activities, children can develop, recover, improve, as well as maintain the skills needed for daily living such as self-care routines like getting dressed, toileting, eating, and school ready skills, such as handwriting and using scissors - concentrating and focusing on activities and learning. In 2021 we delivered 181 occupational therapy sessions.

"Ivy has absolutely loved OT and Bimanual Therapy with the amazing Paula, especially being in the sensory swing, making kitten toys and all the fun garden activities with the team. It's hard work, but lots of great progress made. It's the people that make a place special and CPotential has the most caring and amazing team we could have wished for. We are so thankful." Ivy's mum and dad

- **Wellbeing Support:** Parents and carers of children and young people with movement disorders often need support with their wellbeing. With the help of the National Lottery Awards for All, we developed a wellbeing support programme with an expert practitioner, Charlie Lyons of Connect In. The 6-week course programme proved highly popular with families, and we have a waiting list for future funded courses or sessions.

“Charlie is such a breath of fresh air, she is kind, patient and I have benefited enormously from the time we have spent together. As parents our wellbeing is always bottom of the list, but Charlie provided me with the time, space, and encouragement to reflect and take care of my emotional health.” Anonymous parent

- **Galileo Whole Body Vibration Therapy:** We introduced the innovative vibration therapy using the full range of vibration platform, tilt table and dumbbells, each playing a vital role in our physiotherapy sessions. The children loved the sensory feedback that vibration gives alongside key benefits to reduce spasticity, build bone density, and improve motor function, muscle control, balance, and circulation
- **Mollii Suit Assessment and Fitting:** A Mollii suit is an assistive technology that helps a person gain more independence in daily life, by relieving spasticity and improving muscle control. Mollii is suitable for adults and children with a variety of neurological conditions, including cerebral palsy, acquired brain injury, stroke or multiple sclerosis
- **Legal, Educational and Financial support services:** With the generous support of Irwin Mitchell, we provided legal, educational and financial service assistance to families, running regular free online advice sessions
- Rebranded and developed our charity shop into a boutique preloved outlet improving sales and returns
- Continued to develop 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.

During 2021 we delivered a total of 2,995 sessions and worked with 147 individual children aged from 3 months to 9 years old.

Our Supporters:

We are grateful to our funders and supporters who have continued to support our work, such as:

- Garfield Weston Foundation
- BBC Children in Need
- Amy Winehouse Foundation
- City Bridge Trust
- National Lottery Awards for All
- Morrisons Foundation
- The Hadley Trust
- Webb Family Trust
- PAR Charitable Trust
- D'Oyley Carte Charitable Trust

Coronavirus Pandemic

The Covid-19 pandemic continued to impact upon our fundraising capacity as funders shifted their support to emergency relief. We continued to receive funding from trusts and foundations and were pleased to realise a 50% year on year increase on our fundraised activities, £277,235 (2021) v £184,484 (2020).

Although we were largely able to continue to provide services during 2021, they were at reduced capacity and parents chose to keep vulnerable children away and the safety and cleaning protocols reduced capacity. We did however see £103,088 year on year increase in sessions delivered.

We were able to utilise the government furlough scheme and other government support (see page 6 for details) albeit at lower levels than £185k (2021) v £244k (2020).

Achievements and performance

In 2020 we established the following objectives: within 24 months we will have a range of holistic integrated therapies and sharply focused support services that are:

- Integrated and all-inclusive
- Evidenced by outcomes
- Accessible and affordable for all.

Our organisation will be:

- Robust - an exemplar of working conditions and professional development
- Sustainable - with diversified funding supported by social enterprises
- Connected - integrated with advice, guidance and partnership sign posting.

We have worked hard during 2021 to progress these objectives.

Integrated and all-inclusive. In 2021 we achieved a milestone in developing the methodology to integrate the specialist therapy areas and service workflow. Our beneficiaries' needs are often long term and are best serviced by long term planning against defined goals. In 2021 we introduced multidisciplinary assessments as the foundation to producing extended therapy plans for our beneficiaries.

Outcome Evidenced. Aligned to our goal to integrate our services. We have received generous support from The City Bridge Trust who have funded a 12-month project to establish a suite of benchmarked impact measures. As we continue to develop our fully integrated services these evidence protocols will provide further support to our development.

Accessible and Affordable for all. With the fantastic backing of our supporters, we have successfully supported children with £80,140 of bursaries. We have developed plans and funding to increase our delivery of services into the community and online.

Robust. We have introduced new highly trained staff: Level 7 physiotherapist and occupational therapist. All service staff are supported by a highly experienced level 8 paediatric supervisor and the organisation has recruited an additional trustee with over 20 years of experience as a paediatric physio. Other specialist training on understanding needs and supporting children with Downs Syndrome, Galileo Whole Body Vibration Therapy, Spider Therapy and DMI (Dynamic Movement Intervention). All staff have undertaken training in Safeguarding, Fire Safety and First Aid. We have introduced new back-office systems (HR, service logging and fundraising) to support staff in their work. We continue to integrate these systems.

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Sustainable. Despite the circumstances of the pandemic impacting upon our drive towards sustainability we are pleased to have achieved a £103,088 increase in service delivery and a 50% increase in fundraising. Our charity shop is now transformed into a highly attractive boutique preloved outlet and is now generate a return.

Connected. Partnerships have been formed to provide expert advice, wellbeing support, mental health counselling by Mind in Haringey and EHCP guidance.

We are also delighted to have the support of Irwin Mitchell who can provide our beneficiaries with specialist legal, financial, and educational advice. As we move into 2022, we will establish dedicated resources into further partnership development.

Quotes from CPotential families...

"CPotential has, in only a few months, provided a place and space where Poppy is celebrated and supported in a way that works for her. With CE sessions, Music Therapy, play and story time, she has been helped and enriched in so many ways. We have seen her grow in physical strength - she is fitter, stronger and braver; she climbs, she jumps, she skips in a way she did not before." Poppy's mum

"We were really grateful to be able to take Teddy for intensive therapy at CPotential which is not really available in Ireland. Our therapist was so encouraging of him and could read him very well and understand when he needed short breaks. It was great to see him tolerate two hours of therapy in a single session and just keep working away at it." Teddy's mum

"One of the factors that make any therapy successful is the patience that the therapist has. We always say that Harriet works better with a therapist at CPotential as they have absolute patience with the children. We have seen significant progress with Harriet's confidence, being able to go upstairs with support, and going in a tunnel. We are currently working on tiptoe walking with Andrea and Will, and we are super grateful for how much progress she has achieved." Harriet's parents

Financial review

Income: When reviewing the 2021 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.

Although Income levels continued to be suppressed by the Covid-19 pandemic lockdowns and restrictions we had a 25% increase in revenues £744,388 (2021) v £597,752 (2020) (see page 8 for breakdown).

This income growth was achieved despite a reduction in Covid-19 government support year on year. The Charity received £185,859 (2021) v £244,651 (2020) from the 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.

Expenditure: Although we introduced new staff and resources and increased income our expenditure remained in line with the previous year £1,180,394 (2021) v £1,133,001 (2020).

Trading (Charity Shops): The Covid-19 pandemic and lockdowns severely affected our ability to trade. During 2021 we completed our restructure of our trading shops. The shop closures and reassignments of leases were completed in March 2021.

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Revenues for Trading were improved £152,488 (2021) v £144,675 (2020).

The Trading company also benefited from Covid-19 support albeit at a year-on-year reduction £38,418 v £93,053. Costs were reduced to £197,010 (2021) v £244,660 (2020).

Despite the £50k government funding reduction, the performance was slightly improved with the loss for the year of £6,099 (2021) v £6,932 (2020)

This is an encouraging financial achievement and indicates a much-improved trading position as we move forward.

Income: Although the Covid-19 pandemic continued to impact our fundraising, but we were pleased to see a 50% increase in funds raised £277,235 (2021) v £184,484 (2020)

Although the level of government Covid support reduced year-on-year by £58,792 we still had a significant increase in income. This was driven by increased charitable activity and fundraising. Separating the effects of the Government Covid support this represents a year-on-year income increase of 58%. This is also 18% on 2019 pre pandemic income levels.

The Charity income breakdown is as follows:

	2021		2020
Donations and capital grants	£277,235	v	£184,484
Charitable Activity	£125,524	v	£22,436
Other income incl. CV-19 grant	£185,859	v	£244,651
Trading income (charity shops)	£152,488	v	£144,675
Investments	£3,282	v	£1,506
Total Income	£744,388	v	£597,752

Expenditure: Our year-on-year expenditure remained levelled £1,180,394 (2021) v £1,133,001 (2020) despite an increase in staff and resources that generated income.

There was a small increase in the cost of raising funds which is reflected in the increase in income levels £434,971 (2021) v £408,897 (2020).

Surplus / Loss: 2021 was another challenging year, however we used our time and resources to push forward with our restructuring of the Charity and introducing new services and resources. This has placed us in a good position for growth as the pandemic restrictions lift.

The charity reduced its loss to £436,006 (2021) despite a backdrop reduction of £58,792k in Covid grant funding.

The trustees are mindful of the reduction of the charity's working capital during the pandemic and have, after careful consideration decided to release capital by way of a sale and lease back on its Coppetts Road asset. It is expected that this will generate £1.85m to recapitalise the charity. Negotiations for this will be concluded in 2022 and the board will take all the required fiduciary and legal advice to ensure full charitable compliance.

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 2022 and beyond

Our decision to continue with the growth of our service capacity during 2021 is proving to be advantageous as the post pandemic operational environment normalises. We remain confident that the growth in our income and reduction of our losses will continue into 2022 and beyond.

During 2022 we will continue to review and reassess our progress and work towards the achievement of the following objectives:

- By the financial year 2025, our underlying financials will break even
- In two years, we will treble the number of interventions undertaken in-house or referred onwards
- In two years, we will treble the number of individuals we empower
- By the end of 2023, we will have increased and complemented the skills and expertise of the Board and the Executive Team.

We will continue to develop our strategy to generate growth:

- a) Exploring additional areas where our services are needed
- b) Developing new fundraising streams that can support our work
- c) Pushing forward with our multidisciplinary integrated therapies and embedding impact measures
- d) Continuing to introduce innovative technologies and effective soft support services that are interconnected.
- e) The specific new services we plan to introduce in 2022 are:
 - Speech and Language Therapy
 - Dynamic Movement Interventions
 - Immersive Story Therapy
 - LEGO Therapy
 - Aquatic Therapy.

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 authorisation 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

A specialist Trustee Investment Subcommittee examines the best use of our reserves and develops an investment policy which reflects our needs.

The Investment & Finance Committee is responsible for (and ensures that regular reporting procedures are in operation to monitor the performance of):

All investment related affairs of the Charity including:

- a) Appointment and on-going review of the Investment Manager
- b) Regular review of the Investment Policy and Mandate to ensure the risk and return characteristics of the investment portfolio align with CPotential's strategic objectives
- c) Liaising with the Investment Manager
- d) Seeking third-party expert opinion (where appropriate) to assess investment decisions or options that fall outside the remit of an appointed Investment Manager or where the Board of Trustees requires additional re-assurance concerning a specific investment strategy or investment performance related issues.

Following the above principle, in the year 2021 the charity invested £150,000 in the Sarasin Endowment Fund.

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 2021.

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 regards 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;

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- 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 2021 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, Xeinadin Audit Limited who have indicated their willingness to continue in that capacity.

Approved by the Trustees on 28th September 2022 and signed on their behalf by:



Christopher Gilbert

Chair of Trustees

Letter from the Chair of Trustees

The year 2021, continued to be dominated by the consequences of the Covid-19 pandemic and a restricted operating environment. However, we have continued to make immense progress in our charity's development. We now have a wide range of evidence based, integrated rehabilitation services, using highly qualified therapists and cutting-edge technology. We are very much looking to the future.

The trustees and team are dedicated to achieving our mission ***"To be the champion in unlocking potential in children and young adults with movement disorders by 2027"***.

The difficult years since 2019 have allowed us to reevaluate and improve. We are now well placed to continue with our growth and extend the support we can give to our beneficiaries.

In 2021 even with pandemic restrictions we increased the number of crucial therapy sessions to 2,995 (573 in 2020) for 147 (85 in 2020) children in the year. To facilitate this, we also increased our income generation by £146,636.

Our work remains as vital as ever and our decision to push forward with our development during the height of a pandemic means that we are now able to respond to our beneficiaries needs with flexibility and great expertise.

"CPotential has aided Edith's physical development as well as her emotional and social development. Since we started, Edith has learnt to walk, climb, run, jump and use various play equipment. She has made wonderful friends at CPotential, and her social skills have progressed immensely." Edith's mum

In 2021 we are very pleased to have introduced:

- Occupational and Sensory Integration Therapy
- Galileo Whole Body Vibration Therapy
- Multidisciplinary Assessments and Therapy Plans
- CIMT, Bimanual and Upper Limb Therapies
- New professional development training for staff
- Employed new highly qualified front line service staff to complement our team
- Introduced new resources and restructured our fundraising department
- Continued to reduce back-office overhead costs
- Improved the performance of our retail operations.

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



Christopher Gilbert

Chair of Trustees

Letter from the CEO

"Finding the right therapy centre that works with your family is one of the most important things when raising a child with additional needs. We are so glad that we found CPotential!" Harriet's mum

It's feedback like this that have driven the team forward during a very challenging operational year.

To have delivered nearly 3,000 sessions for 147 children against the constantly changing backdrop of the pandemic and a very restricted and often uncomfortable operational environment is a testament to all our staff, families, and supporters. They have all been remarkable.

We have continued our journey with enthusiasm and commitment. It has been a personal pleasure for me to see our services beginning to thrive.

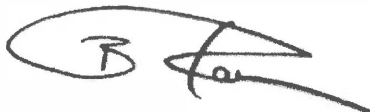
We still have significant challenges ahead with ambitious plans to further expand our service delivery and resources. We are extremely well placed for this and are confident that the progress of CPotential will continue.

I would like to express my sincere thanks to our Board of Trustees who have given their time so generously and provided my team and myself with clear and critical direction.

My thanks also go to all those that have supported us with their time, advice, and money. We all appreciate such generosity.

Finally, my special thanks go to those team members who have worked so hard and diligently delivering the services. You are all exemplars for your profession.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Brett Parker', written over a light blue circular stamp.

Brett Parker

CEO

Independent Auditors' Report on the financial statements to the Trustees of CPotential Trust

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 2021 which comprise the Consolidated Statement of Financial Activities, the Charity 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 2021 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of Matter

We draw attention to the going concern accounting policy which describes the heavy reliance on the completion of the sale and leaseback in order to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 151 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
(A company limited by guarantee)
Trustees report and financial statements for the year ended 31 December 2021

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.



Xeinadin Audit Limited
Chartered Accountants and Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 29 September 2022

Xeinadin Audit Limited 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 2021

	Note	<u>Continued activities</u>		Total funds 2021 £	Total funds 2020 £
		Unrestricted	Restricted		
		funds 2021 £	funds 2021 £		
Income from:					
Donations and capital grants	2	172,638	104,597	277,235	184,484
Other income (incl. Covid-19 gov grant)	2,3	185,859		185,859	244,651
Trading activities	3	152,488	-	152,488	144,675
Charitable activities	4	125,524	-	125,524	22,436
Investments	5	3,282	-	3,282	1,506
Total income		639,791	104,597	744,388	597,752
Expenditure on:					
Raising funds	6	434,971	-	434,971	408,897
Charitable activities	6	576,504	168,919	745,423	709,061
Other expenditure	7	-	-	-	15,043
Total expenditure		1,011,475	168,919	1,180,394	1,133,001
Net income / (expenditure) before other gains and losses		(371,684)	(64,322)	(436,006)	(535,249)
Net movement in funds		(371,684)	(64,322)	(436,006)	(535,249)
Reconciliation of funds:					
Total funds brought forward		1,566,622	77,395	1,644,017	2,179,265
Total funds carried forward		1,194,938	13,073	1,208,010	1,644,017

The notes on pages 22 to 34 form part of these financial statements.

Charity statement of financial activities incorporating income and expenditure account for the year ended 31 December 2021

		<u>Continued activities</u>		Total funds 2021 £	<i>Total funds 2020 £</i>
		Unrestricted funds 2021 £	Restricted funds 2021 £		
	Note				
Income from:					
Donations and capital grants	2	172,638	104,597	277,235	184,484
Other income (incl. Covid-19 gov grant)	2	147,441	-	147,441	151,598
Charitable activities	4	125,524	-	125,524	22,436
Investments	5	3,282	-	3,282	5,562
Total income		448,885	104,597	553,482	364,080
Expenditure on:					
Raising funds	6	237,966	-	237,966	168,293
Charitable activities	6	576,504	168,919	745,423	709,061
Other expenditure	7	-	-	-	15,043
Total expenditure		814,470	168,919	983,389	892,397
Net income / (expenditure) before other gains and losses		(365,585)	(64,322)	(429,907)	(528,317)
Net movement in funds		(365,585)	(64,322)	(429,907)	(528,317)
Reconciliation of funds:					
Total funds brought forward		1,725,477	77,395	1,802,872	2,331,188
Total funds carried forward		1,359,892	13,073	1,372,965	1,802,872

The notes on pages 22 to 34 form part of these financial statements.

Consolidated and charity balance sheets as at 31 December 2021

	Note	Consol- idated 2021 £	Consol- idated 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	10	<u>1,148,699</u>	<u>1,175,216</u>	<u>1,146,245</u>	<u>1,170,490</u>
		<u>1,148,699</u>	<u>1,175,216</u>	<u>1,146,245</u>	<u>1,170,490</u>
Current assets					
Debtors	11	24,227	29,206	198,180	187,262
Prepayments and accrued income	11	16,632	42,083	-	23,428
Cash at bank and in hand		<u>169,799</u>	<u>486,785</u>	<u>132,643</u>	<u>473,369</u>
		<u>210,658</u>	<u>558,074</u>	<u>330,823</u>	<u>684,059</u>
Creditors: amounts falling due within one year	12	<u>(91,013)</u>	<u>(70,608)</u>	<u>(62,436)</u>	<u>(51,678)</u>
Net current assets		<u>119,645</u>	<u>487,466</u>	<u>268,387</u>	<u>632,381</u>
Total assets less current liabilities		<u>1,268,344</u>	<u>1,662,682</u>	<u>1,414,632</u>	<u>1,802,871</u>
Creditors: amounts falling due after more than one year	12	<u>(60,334)</u>	<u>(18,667)</u>	<u>(41,667)</u>	<u>-</u>
Net assets	15	<u>1,208,010</u>	<u>1,644,015</u>	<u>1,372,965</u>	<u>1,802,871</u>
Charity funds					
Restricted funds	13	13,073	77,395	13,073	77,395
Unrestricted funds	13	<u>1,194,937</u>	<u>1,566,620</u>	<u>1,359,892</u>	<u>1,725,476</u>
Total funds		<u>1,208,010</u>	<u>1,644,015</u>	<u>1,372,965</u>	<u>1,802,871</u>

The financial statements were approved by the Trustees on 28/09/22 and signed on their behalf by:



Christopher Gilbert, Chair of Trustees

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

Consolidated statement of cash flows for the year ended 31 December 2021

	Total funds 2021 £	Total funds 2020 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(313,898)	(464,852)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(44,846)	(57,913)
Proceeds from sale of property, plant and equipment		
Net cash provided by (used in) investing activities	(44,846)	(57,913)
Loans over 12 months taken out /(repaid)	41,667	-
Rent deposit over 12 months received	18,667	18,667
Change in cash and cash equivalents in the reporting period	(298,410)	(504,098)
Cash and cash equivalents at the beginning of the reporting period	486,785	1,009,550
Cash and cash equivalents at the end of the reporting period	169,799	486,785
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)	(436,006)	(535,249)
Adjustments for:		
Depreciation charges	71,273	57,188
(Decrease)/increase in debtors	30,430	15,410
(Decrease)/increase in creditors	20,405	(2,201)
Net cash used in operating activities	(313,898)	(464,852)

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

Notes to the financial statement for the year ended 31 December 2021

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.

1.5 Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Charity is heavily reliant on an ongoing sale and leaseback of the building in order to continue as a going concern. The Trustees have taken this into consideration when assessing going concern and are confident that the sale will complete in the near future.

Notes to the financial statement for the year ended 31 December 2021

1.6 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.

Investment income is recognised on a receivable basis.

1.7 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.

1.8 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 statement for the year ended 31 December 2021

1.9 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.

1.10 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.

1.11 Operating leases

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

1.12 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.

1.13 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 2021

2. Income from donations, legacies and grant income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Group and Charity				
Donations from trusts and foundations	152,149	104,597	256,746	161,797
Donations from companies	-	-	-	200
Donations from individuals	20,489	-	20,489	22,487
Grants income (Covid-19 grant)	147,441	-	147,441	151,598
	<u>320,079</u>	<u>104,597</u>	<u>424,676</u>	<u>336,082</u>
Group and Charity 2020	<u>296,049</u>	<u>40,033</u>	<u>336,082</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 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Group				
Trading income				
Sale of good in charity shops	152,488	-	152,488	144,675
Other income (incl Covid-19 gov grant)	38,418	-	38,418	93,053
	<u>190,906</u>	<u>-</u>	<u>190,906</u>	<u>237,728</u>
Trading expenditure				
Salaries and National Insurance	75,953	-	75,953	88,318
Rent of retail shops	93,382	-	93,382	124,211
Other expenses	24,756	-	24,756	29,284
Depreciation on tangible fixed assets	2,914	-	2,914	2,847
	<u>197,005</u>	<u>-</u>	<u>197,005</u>	<u>244,660</u>
Net income/(loss) from trading activities	<u>(6,099)</u>	<u>-</u>	<u>(6,099)</u>	<u>(6,932)</u>
Net income/(loss) from trading activities 2020	<u>(6,932)</u>	<u>-</u>	<u>(6,932)</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 2021

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Group and Charity				
Sessional services	125,524	-	125,524	22,436
Income from charitable activities	125,524	-	125,524	22,436
Income from charitable activities 2020	22,436	-	22,436	

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

Notes to the financial statement for the year ended 31 December 2021

5. Investment income

Group	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from investments	3,261	-	3,261	-
Bank interest	21	-	21	1,506
Interest income 2021	<u>3,282</u>	<u>-</u>	<u>3,282</u>	
Charity				
Income from investments	3,261	-	3,261	-
Bank interest	21	-	21	1,506
Intercompany loan interest	-	-	-	4,056
Investment income 2021	<u>3,282</u>	<u>-</u>	<u>3,282</u>	<u>5,562</u>
Investment income 2020	<u>5,562</u>	<u>-</u>	<u>5,562</u>	

6. Expenditure analysis by function and type of funding

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Raising funds				
Donations, legacies and capital grants	237,966	-	237,966	168,293
Trading activities	197,005	-	197,005	240,604
Other activities to generate funds	-	-	-	-
	<u>434,971</u>	<u>-</u>	<u>434,971</u>	<u>408,897</u>
Charitable activities				
Primary special school	-	-	-	-
Sessional services	637,216	96,219	733,435	699,475
Parents information project	-	-	-	-
Charity governance	11,988	-	11,988	9,586
	<u>649,204</u>	<u>96,219</u>	<u>745,423</u>	<u>709,061</u>
Other expenditure				
Capital project and campaign	-	-	-	15,043
Total expenditure - Group	<u>1,084,175</u>	<u>96,219</u>	<u>1,180,394</u>	<u>1,133,001</u>
Total expenditure - Charity	<u>887,170</u>	<u>96,219</u>	<u>983,389</u>	<u>892,397</u>

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 2021

7. Expenditure analysis of direct and support costs

Group	Cost of raising funds £	Cost of charitable activities £	Other costs £	Support costs £	Total 2021 £	Total 2020 £
Staff costs (charity)	134,391	336,729	-	272,504	743,624	664,751
Staff costs (trading)*	75,953	-	-	-	75,953	88,318
Other trading costs*	117,052	-	-	-	117,052	148,286
School direct costs	-	-	-	-	-	-
Other service costs	-	29,129	-	-	29,129	31,778
Fundraising - voluntary	4,632	-	-	-	4,632	24,189
Fundraising - events	-	-	-	-	-	-
Running capital project	-	-	-	-	-	4,933
Capital project write-off	-	-	-	-	-	-
Investment management	-	-	-	-	-	78
Audit	4,000	7,800	-	-	11,800	10,600
Other governance costs	-	(3)	-	-	(3)	1,081
Communications	-	-	-	16,666	16,666	5,766
Depreciation	-	-	-	68,359	68,359	54,523
Premises, office & IT	-	-	-	57,042	57,042	56,962
Management & HR	-	-	-	63,334	63,334	39,346
Financial administration	-	-	-	(7,194)	(7,194)	2,390
	336,028	373,654	-	470,712	1,180,394	1,133,001
Support costs	98,943	371,769	-	(470,712)	-	-
Total expenditure 2021	434,971	745,423	-	-	1,180,394	1,133,001
Total expenditure 2020	408,897	709,061	15,043	-	1,133,001	-

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 2021

8. Net incoming resources/(resources expended)

This is stated after charging:

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Depreciation on tangible fixed assets	71,273	57,188	68,359	54,342
Auditor's remuneration	11,800	10,600	7,800	6,600
Auditor's remuneration - non-audit	-	-	-	-
Pension costs	18,855	14,999	17,539	14,006

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

No Trustees received reimbursement of expenses in 2021 (2020: £NIL).

9. Staff costs

Staff costs were as follows:

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	725,355	688,134	655,730	606,751
Social security costs	62,684	63,359	57,672	57,417
Pension costs	18,855	14,999	17,539	14,006
	806,894	766,492	730,941	678,174

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

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	No.	No.	No.	No.
Sessional services	11	12	11	12
Fundraising	2	2	2	2
Retail shops	5	3	-	-
Support	8	9	8	9
	26	26	21	23

One employee received remuneration amounting to more than £60,000 in the year. The employee was paid in the £60,000-£69,999 band (2020 - one employee)

During the year there was £10,469 redundancy pay to three employees (2020 - £3,000)

Notes to the financial statement for the year ended 31 December 2021

10. Tangible fixed assets

Group	Land & buildings £	Furniture & equipment £	Fixtures & fittings £	Total £
Cost				
At 1 January 2021	1,206,691	243,712	122,749	1,573,152
Additions	-	18,856	25,990	44,846
Disposals	(14,535)		(2,376)	(16,911)
At 31 December 2021	<u>1,192,156</u>	<u>262,568</u>	<u>146,363</u>	<u>1,601,087</u>
Depreciation				
At 1 January 2021	129,961	186,526	81,449	397,936
Charge for the year	21,154	22,638	27,481	71,273
On disposals	(14,535)		(2,285)	(16,820)
At 31 December 2021	<u>136,580</u>	<u>209,164</u>	<u>106,645</u>	<u>452,389</u>
Net book value				
At 31 December 2021	<u>1,055,576</u>	<u>53,404</u>	<u>39,718</u>	<u>1,148,698</u>
At 31 December 2020	<u>1,076,730</u>	<u>57,186</u>	<u>41,300</u>	<u>1,175,216</u>
Charity				
Cost				
At 1 January 2021	1,170,474	237,202	114,843	1,522,519
Additions		18,123	25,990	44,113
Disposals				-
At 31 December 2021	<u>1,170,474</u>	<u>255,325</u>	<u>140,833</u>	<u>1,566,632</u>
Depreciation				
At 1 January 2021	93,744	184,399	73,886	352,029
Charge for the year	21,154	20,265	26,940	68,359
On disposals				-
At 31 December 2021	<u>114,898</u>	<u>204,664</u>	<u>100,826</u>	<u>420,388</u>
Net book value				
At 31 December 2021	<u>1,055,576</u>	<u>50,661</u>	<u>40,007</u>	<u>1,146,244</u>
At 31 December 2020	<u>1,076,730</u>	<u>52,803</u>	<u>40,957</u>	<u>1,170,490</u>

Notes to the financial statement for the year ended 31 December 2021

11. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due after more than one year				
Amounts owed by group undertakings	-	-	115,091	121,000
Due within one year				
Outstanding fees	2,952	3,250	2,597	3,250
Amounts owed by group undertakings	-	-	80,492	63,012
Tax and social security				
Other debtors	21,275	25,955	-	-
Prepayments	13,979	20,635	-	1,980
Accrued income	2,653	21,448	-	21,448
	40,859	71,288	198,180	210,690

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.

12. Creditors

Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	7,786	13,589	6,467	11,804
Tax and social security	17,300	18,021	16,066	17,065
Bank loan	8,333	-	8,333	-
Other creditors	4,459	3,276	4,193	3,276
Accruals	52,056	22,799	26,297	19,533
Deferred income	1,080	12,923	1,080	-
	91,013	70,608	62,436	51,678

Amounts falling due after more than one year

Rent deposit	18,667	18,667	-	-
Bank loan	41,667	-	41,667	-
	60,334	18,667	41,667	-

Included within Bank Loans is a Bounce Back Loan made available as part of the UK Government Coronavirus support scheme. The loan is guaranteed by the UK Government under BBLS. The loan attracts interest at a rate of 2.50% and is repayable by 60 monthly instalments of £934.36. The final repayment is due in February 2027.

	Charity 2021 £	Charity 2020 £	Group 2021 £	Group 2020 £
Due within 1 year	8,333	-	8,333	-
Due between 1-2 years	10,000	-	10,000	-
Due between 2-5 years	30,000	-	30,000	-
Due after 5 years	1,667	-	1,667	-
	50,000	-	50,000	-

Notes to the financial statement for the year ended 31 December 2021

13. Statement of funds

	Brought forward £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Carried forward £
Restricted funds						
Capital campaign fund	9,595	-	(9,595)	-	-	-
Equipment fund	35,273	34,705	(63,106)	-	-	6,873
Early Intervention fund	32,527	39,992	(72,519)	-	-	-
Wellbeing Therapy fund	-	9,900	(8,700)	-	-	1,200
Speech & Language Therapy	-	5,000	-	-	-	5,000
Music Therapy fund	-	15,000	(15,000)	-	-	-
	<u>77,395</u>	<u>104,597</u>	<u>(168,919)</u>	<u>-</u>	<u>-</u>	<u>13,073</u>
Designated funds						
Land & building reserve	1,175,000	-	-	-	-	1,175,000
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	(213,380)	639,791	(1,011,475)	-	420,000	(165,064)
Total unrestricted	<u>1,566,620</u>	<u>639,791</u>	<u>(1,011,475)</u>	<u>-</u>	<u>-</u>	<u>1,194,936</u>
Total of funds	<u>1,644,015</u>	<u>744,388</u>	<u>(1,180,394)</u>	<u>-</u>	<u>-</u>	<u>1,208,009</u>
Restricted funds 2020						
Capital campaign fund	24,638	-	(15,043)	-	-	9,595
Equipment fund	12,958	25	(2,210)	-	24,500	35,273
Early intervention fund	-	40,008	(40,008)	-	32,527	32,527
Music therapy fund	-	-	-	-	-	-
	<u>37,596</u>	<u>40,033</u>	<u>(57,261)</u>	<u>-</u>	<u>57,027</u>	<u>77,395</u>
Designated funds 2020						
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 2020	361,668	557,719	(1,075,740)	-	(57,027)	(213,380)
Total unrestricted 2020	<u>2,141,668</u>	<u>557,719</u>	<u>(1,075,740)</u>	<u>-</u>	<u>(57,027)</u>	<u>1,566,620</u>
Total of funds 2020	<u>2,179,264</u>	<u>597,752</u>	<u>(1,133,000)</u>	<u>-</u>	<u>-</u>	<u>1,644,015</u>

Notes to the financial statement for the year ended 31 December 2021

14. 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.
Wellbeing therapy fund	The wellbeing therapy fund consists of monies received for the provision of wellbeing therapies for families.
Speech & Language therapy fund	The speech & language therapy fund consists of monies received for the provision of speech and language therapy.

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.
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 2021

15. Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tangible fixed assets	1,148,699	-	1,148,699	1,175,216
Current assets	197,585	13,073	210,658	558,074
Creditors due within one year	(91,013)	-	(91,013)	(69,109)
Creditors due after one year	(60,334)	-	(60,334)	(18,667)
	<u>1,194,937</u>	<u>13,073</u>	<u>1,208,010</u>	<u>1,645,514</u>
 Tangible fixed assets 2020	 1,165,621	 9,595	 1,175,216	
Current assets 2020	547,301	10,773	558,074	
Creditors due within one year 2020	(70,609)	-	(70,609)	
Creditors due after one year 2020	(18,667)	-	(18,667)	
	<u>1,623,647</u>	<u>20,368</u>	<u>1,644,015</u>	

16. Operating lease commitments

At 31 December 2021 the total of the future minimum annual lease payments under non cancellable operating leases

	Charity 2021 £	Charity 2020 £	Group 2021 £	Group 2020 £
Within 1 year	-	-	57,792	80,762
Between 1 and 5 years	-	-	224,000	234,650
More than 5 years	-	-	110,444	166,320
	<u>-</u>	<u>-</u>	<u>392,236</u>	<u>481,732</u>

17. Subsidiaries

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

There were no related party transactions in the year 2021.

18. Related Parties

The charitable company has not entered into any related party transactions during the year, nor are there any outstanding balances owing between related parties and the charitable company at 31 December 2021.