

Registered Company Number: 05848363

Registered Charity Number: 1124524



CPotential Trust

Trustees Report and Financial Statements

For the year ended 31 December 2022

CPotential Trust
(A company limited by guarantee)

**Reference and administrative details of the charity, its trustees and advisers
for the year ended 31 December 2022**

Trustees

Christopher Gilbert, Chair
Anthony Dowle (resigned 27 September 2023)
Timothy Hammett
Raisa Hassan (resigned 13 March 2024)
Catherine Seddon
Deborah Triggs (appointed 3 February 2022, resigned 22 February 2024)

Chief Executive Officer Brett Parker

Registered Company Number 05848363

Registered Charity Number 1124524

Registered Office 143 Coppetts Road
London
N10 1JP

Independent Auditors Xeinadin Audit Limited
Chartered Accountants & Statutory Auditor
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 2022

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 2022. 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 meetings 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, Manager of Clinical Services, Director of Resources 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 consult the Charity Commission's public benefit guidance when assessing our goals and planning future activities, ensuring alignment with our objectives. The Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Our primary mission is to provide vital therapeutic services and unwavering support to children, families, and caregivers grappling with movement disorders, including cerebral palsy. We seamlessly blend physical, occupational, and communication therapies into our work. Guided by the ethos that every child holds the potential to learn, thrive, and

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cultivate confidence, skills, and self-reliance, we dedicate ourselves to nurturing their mobility, motor skills, sensory perception, communication abilities, emotional well-being, problem-solving prowess, and self-sufficiency. Crucially, we integrate these skills into practical applications, fostering a path toward independence.

Note on the late filing of the 2022 accounts with Companies House and The Charity Commission

The Board of Trustees acknowledges and prioritizes the principles of transparency and accountability within our organisation. As such, we wish to address the delayed filing of our 2022 audited accounts with both Companies House and the Charity Commission.

In the latter part of 2022, the Board was actively engaged in the process of recapitalising the charity through a property sale. Regrettably, an unexpected and last-minute delay occurred in this process. Following careful deliberation and consultation with relevant advisors, the Trustees made the decision to postpone the filing of the accounts.

This decision was undertaken to ensure that the financial information we present accurately reflects the organisation's position and does not convey any misleading information. We are committed to upholding the highest standards of transparency and accountability in all our operations, and we appreciate the understanding and patience of our stakeholders during this time.

In 2022 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 and to improve motor functions such as walking. We also provided tailored intensive pre and post-SDR surgery physiotherapy.



Maia'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."*

Upper Limb Therapy, CIMT (Constraint Induced Movement Therapy) and Bimanual Skills Training are integrated into most therapy sessions. We delivered a range of therapy packages focusing on hand skills for children with motor disorders.

Music Therapy. We are very grateful to The Amy Winehouse Foundation for their continuing supporting 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 tackled.



Ruairi's mum *"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."*

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Conductive Education brings remarkable benefits, transforming lives. This holistic approach boosts physical, cognitive, and social development simultaneously, fostering independence and self-esteem. It enhances mobility, coordination, and motor skills, making daily activities easier. It builds a supportive community, connecting children and families with peers facing similar challenges. Conductive Education enriches children's lives, helping them to build friendships and gain social interaction skills while having fun and building their self-esteem.



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

Occupational Therapy and **Sensory Integration** are powerful tools for empowering children and young people facing physical, sensory, or cognitive challenges that hinder their engagement in everyday life. By harnessing the therapeutic potential of daily activities, we enable children to not only cultivate, regain, and enhance their abilities but also sustain vital life skills. These encompass self-care routines, including dressing, toileting, and eating, as well as school-ready proficiencies like handwriting and scissor use. Our approach fosters concentration, sharpens focus on activities, and enriches the learning experience.



Misha's Mum *"I would like to express our gratitude to everyone working at CPotential, who make the place so special for us. We have found a place that is a delight to visit where the people are welcoming and supportive. Misha is having lots of fun while learning through play, and the atmosphere in the centre is just amazing – it is such a bright place, the rooms are so spacious and full of lovely toys and equipment."*

Galileo Whole Body Vibration Therapy. An innovative vibration therapy using the full range of vibration platform, tilt table and dumbbells, each plays a vital role in our physiotherapy sessions. The children loved the sensory feedback that vibration gives alongside key benefits to boost a child's mobility and independence: reduces spasticity, improves motor function, improves muscle control, improves balance, improves circulation, builds bone density.

Mollii Suit Assessment and Fitting is an assistive technology that helps relieve spasticity and improves muscle control.

Speech and Language Therapy is a life-improving treatment and support that develops speech, language, functional communication, and social communication for children who have difficulties with communication or with eating, drinking, and swallowing.

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Yahya's mum *"The sessions with Demi have had a great effect on Yahya, we have been able to continue the tools that she had provided and initiated with Yahya. It has allowed us to converse more about his day and his emotional wellbeing. The communication at school has I feel not progressed as much however I am aware they are trying to implement the zones of regulation. Yahya is having more positive days at school. "*

Legal, Educational and Financial support services. With the generous support of Irwin Mitchell, we provided legal, educational and financial service assistance.

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.

Our Supporters - we are grateful to our funders and supporters who have continued to support our work:

Amy Winehouse Foundation - Atkin Foundation - City Bridge Trust - David Solomons Charitable Trust - Dora Rebecca Fine Charitable Trust - DWF Foundation - EF & MG Hall Charitable Trust - Garfield Weston Foundation - Harapan - Hazel and Leslie Peskin Charitable - Hospital Saturday Fund - Lake House Charitable Foundation - Michael Watson Charitable Trust - Outhwaite Charitable Trust – SCOPE - St James's Place Foundation - Tallow Chandlers Benevolent Fund - The Adrienne & Leslie Sussman Charitable Trust - The Alchemy Foundation - The Beehive Fund- The Cecil Rosen Foundation - The David Family Foundation- The D'Oyly Carte Charitable Trust - The Douglas Heath Eves Charitable Trust - The Edward Gostling Foundation -The Gerald and Gail Ronson Family Foundation - The Hadley Trust - The Henhurst Charitable Trust - The Ince Group Charitable Foundation - The Mabs Mardulyn Charitable Foundation - The Mrs Yvonne Flux Charitable Trust - The PAR Charitable Trust - The Patrick and Helena Frost Foundation - The Screwfix Foundation - The Sir James Roll Charitable Trust - The Souter Charitable Trust - The Steven Bloch Image of Disability Charity Trust - The Trysil Charitable Trust - The Tula Trust Limited - Thousandth Man- Richard Burns Charitable Trust - The Worshipful Company of Fan Makers - Webb Family Charitable Trust

Achievements and performance

During in 2022 we delivered a total of **4541** sessions which was a **57%** year on year improvement. We worked with **246** individual children, which was a **48%** year on year improvement.

In 2022 the trustees and executives established the next stage of the Trust's development with the following objectives:

The Vision

People with movement disorders are empowered to reach their potential.

The Mission

To be the champion in unlocking potential in children and young adults with movement disorders by 2027

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Strategic Objectives

By 2024

- We will continue to elevate the skills and expertise of both the board and the executive team.

By 2026

- We will treble the number of interventions undertaken in-house or referred onwards.
- We will treble the number of individuals we empower.
- Our underlying financials will achieve break-even.

What our families have said about us

*"At CPotential I found nice therapists that explained and helped Maia with her progress. In the first year we tried our best to pay for Maia's therapy, but COVID came and had an impact on our family. We started to struggle, and I asked for information and support from CPotential. They sent us information and we opened a funding support plan with Just4children." **Maia's Mum***

*"... Since our first assessment with them they have been brilliant in helping us. They have made such a positive impact in our lives and have really helped Rubi make progress through the different therapies they offer. All the staff there are amazing and the work they do is incredible. Rubi and I have made friends through going there and this has been very comforting for us to have people in our lives going through the same/similar journeys." **Rubi's Mum***

*"Harriet has been doing conductive education since 2018 and physiotherapy since 2021. We have also attended various therapy camps and intensive blocks at the centre. We have seen significant progress with Harriet's confidence – being able to go upstairs with support and going in a tunnel. She continues to amaze us on a year-to-year basis." **Harriet's Mum.***

Financial review

Income

In 2022 our operating income (income without Covid support) improved by **23%** to **£685,431 (2022) v £558,529 (2021)**. Income from Covid support was as follows **£nil (2022) v £185,859 (2021)**

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

In 2022 we continued with our expansion of services, introducing new staff and resources. However, we continued to reduce costs by **15%** to **£997,897 (2022) v £1,180,394 (2021)**

Trading (Charity Shops)

Following the 2021 restructure of our trading shops and the post covid normalisation of trade, our trading revenues improved to **£180,935 (2022) v £152,488 (2021)**

The year-on-year loss was reduced to **-£2,896 (2022) v -£6,099 (2021)**

Whilst this improvement is encouraging, the trustees are carefully reviewing the viability of the trading operation following the restructure and the return of normal post pandemic trading.

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In July 2023 the Trustees were mindful of the outstanding debt owed to the charity by the trading subsidiary. They evaluated that the prevailing trading conditions, ongoing losses and the subsidiary's financial obligations would render repayment of this debt highly improbable. Furthermore, after conducting a thorough assessment of the trading position and the persistent risks associated with its operations, the Trustees deemed it unsuitable to further extend financial support to sustain the trading subsidiary's operations.

Considering these factors and after seeking professional advice, the directors of CPotential Trading opted to initiate voluntary liquidation proceedings for the company.

Fundraising Income

We were pleased to see a continued improvement of **15%** growth in our fundraising **£318,934 (2022) v £277,235 (2021)**.

The Charity income breakdown is as follows:

	2022	2021
Donations and capital grants	£318,934	£277,235
Charitable activity	£180,011	£125,524
Trading income (charity shops)	£186,483	£152,488
Investments	£ 3	£3,282
Income	£685,431	£558,529
<hr/>		
Covid-19 Government support grant	£ nil	£185,859
Total Income	£685,431	£744,388

Surplus / Loss

Year 2022 was a pivotal year for our charity. Following the school closure in year 2019/20 we restructured the charity and developed our new strategy and business plan. This was launched in March 2020 just as the pandemic took hold. During the pandemic we forged ahead with structuring and resourcing our new integrated therapy services. The year 2022 being the first opportunity to establish service use and normalise activities.

Our strategy of service restructure and development is working, and saw an impressive growth in service uptake. **4541 sessions (57% year-on-year improvement)** working with **246 individual children a 48% year-on-year improvement**.

In 2022 the charity continued to reduce its annual losses to **-£309,370 (2022) v -£429,907 (2021)**.

When this is viewed against a backdrop of a **£147,441** reduction in Covid funding, the underlying performance was improved by **23%**.

In the 2021 accounts the trustees detailed that "The Trustees, mindful of the reduction of the charities working capital during the pandemic 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 £1.45m 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".

The sale and leaseback of the Coppetts Road asset has now completed on the 22 March 2024 which has seen an injection of cash into the charity allowing the charity to continue as a going concern.

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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, is considered appropriate to 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 expand our service capacity continues to prove advantageous as the post-pandemic operational landscape stabilises. We maintain our confidence that our income will grow, and our losses will decrease throughout 2023 and beyond. Our projections indicate that we are on track to reach breakeven and a modest surplus by 2026. In 2023, we will persist in monitoring our progress and strive to achieve the following objectives:

- Attain financial break-even by the fiscal year 2025/26
- Triple the number of in-house interventions or referrals by 2026
- Triple the number of individuals we empower by 2026
- Enhance and diversify the skills and expertise of the Board and the Executive Team by the end of 2023/24

We will continue to develop our strategy to generate growth:

- Exploring additional areas where our services are needed
- Developing new fundraising streams that can support our work
- Pushing forward with our multidisciplinary integrated therapies and embedding impact measures
- Continuing to introduce innovative technologies and effective soft support services that are interconnected.

The specific new services we have introduced in 2023 are:

- Dynamic Movement Interventions
- Immersive Story Therapy
- Lego Therapy
- Aqua Therapy
- Intensive multi-day integrated therapy camps
- Introduce cutting edge exoskeleton technology.

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.

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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.

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 2 and 4 months budgeted total expenditure for the current year is appropriate.

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

Over the next 24 months, our new strategy and business plan will allow 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.

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The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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 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 15th April 2024 and signed on their behalf by:

Christopher Gilbert

Chair of Trustees



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Letter from the Chair

For the year ended 31 December 2022

In 2022, our organisation saw remarkable growth and impact thanks to the unwavering dedication, hard work, and strategic investments made during the challenging pandemic years. We're proud to announce a 57% increase in our impact, delivering a total of 4,541 sessions directly benefiting 246 individual children—an impressive 48% rise from the previous year.

Moreover, we've taken significant steps to ensure our services are comprehensive and holistic for both children and their families. Financially, we've made substantial progress, reducing annual losses from £436,006 in 2021 to £312,466 in 2022. Despite a £182,852 reduction in Covid-related funding, this represents a commendable 49% improvement.

This positive momentum aligns perfectly with our vision of achieving sustainable growth and a modest surplus by 2025-26. Our evidence-based rehabilitation services, led by highly skilled therapists and incorporating cutting-edge technology, are not only deeply embedded but also evolving rapidly.

Looking ahead to 2023, we're committed to further expansion by increasing our therapist base and enhancing our fundraising capabilities, which will strengthen our ability to support more families in need.

We're particularly proud of the initiatives introduced in 2022, including Speech and Language Therapy, Innovative Interactive Story Therapy, Aqua Therapy, Dynamic Movement Intervention, Multidisciplinary Assessments, and ongoing professional development for our staff, among others. These initiatives reflect our commitment to providing comprehensive care and continuously improving our services.

Regarding the late filing of our accounts for 2022, The Board of Trustees acknowledges and prioritises the principles of transparency and accountability within our organisation. As such, we wish to address the delayed filing of our 2022 audited accounts with both Companies House and the Charity Commission.

In the latter part of 2023, the Board was actively engaged in the process of recapitalising the charity through a property sale. Regrettably, an unexpected and last-minute delay occurred in this process. Following careful deliberation and consultation with relevant advisors, the Trustees made the decision to postpone the filing of the accounts.

This decision was undertaken to ensure that the financial information we present accurately reflects the organisation's position and does not convey any misleading information. We are committed to upholding the highest standards of transparency and accountability in all our operations, and we appreciate the understanding and patience of our stakeholders during this time.

We extend our heartfelt gratitude to all individuals, staff, trust funds, and companies that have steadfastly supported us on this journey. Together, we're making a meaningful difference in the lives of those we serve, and we remain committed to our mission of unlocking the potential of children and young adults with movement disorders by 2027.

Christopher Gilbert

Chair of Trustees



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 2022 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 2022 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 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.

Emphasis of Matter

We draw attention to the going concern accounting policy (note 1.5) which describes the heavy reliance on the sale and leaseback transaction completed post year end in order to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 may 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.

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

Statutory Auditor

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date: 17 April 2024

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 2022**

	Note	Continued activities		Total funds 2022 £	Total funds 2021 £
		Unrestricted	Restricted		
		funds 2022 £	funds 2022 £		
Income from:					
Donations and capital grants	2	202,164	116,770	318,934	277,235
Other income (incl. Covid-19 gov grant)	2,3	5,548		5,548	185,859
Trading activities	3	180,935	-	180,935	152,488
Charitable activities	4	180,011	-	180,011	125,524
Investments	5	3	-	3	3,282
Total income		568,661	116,770	685,431	744,388
Expenditure on:					
Raising funds	6	364,040	-	364,040	434,971
Charitable activities	6	562,470	71,387	633,857	745,423
Other expenditure	7	-	-	-	-
Total expenditure		926,510	71,387	997,897	1,180,394
Net income / (expenditure) before other gains and losses		(357,849)	45,383	(312,466)	(436,006)
Net movement in funds		(357,849)	45,383	(312,466)	(436,006)
Reconciliation of funds:					
Total funds brought forward		1,194,938	13,072	1,208,010	1,644,017
Total funds carried forward		837,089	58,455	895,544	1,208,010

The notes on pages 20 to 31 form part of these financial statements.

Charity statement of financial activities incorporating income and expenditure account for the year ended 31 December 2022

	Note	Continued activities		Total funds 2022 £	Total funds 2021 £
		Unrestricted	Restricted		
		funds 2022 £	funds 2022 £		
Income from:					
Donations and capital grants	2	202,164	116,770	318,934	277,235
Other income (incl. Covid-19 gov grant)	2	-	-	-	147,441
Charitable activities	4	180,011	-	180,011	125,524
Investments	5	3	-	3	3,282
Total income		382,178	116,770	498,948	553,482
Expenditure on:					
Raising funds	6	174,661	-	174,661	237,966
Charitable activities	6	562,470	71,387	633,857	745,423
Other expenditure	7	-	-	-	-
Total expenditure		737,131	71,387	808,518	983,389
Net income / (expenditure) before other gains and losses		(354,953)	45,383	(309,570)	(429,907)
Net movement in funds		(354,953)	45,383	(309,570)	(429,907)
Reconciliation of funds:					
Total funds brought forward		1,359,893	13,072	1,372,965	1,802,872
Total funds carried forward		1,004,940	58,455	1,063,395	1,372,965

The notes on pages 20 to 31 form part of these financial statements.

Consolidated and charity balance sheets as at 31 December 2022

	Note	Consol- idated 2022 £	Consol- idated 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	10	<u>1,085,330</u>	<u>1,148,699</u>	<u>1,085,002</u>	<u>1,146,245</u>
		<u>1,085,330</u>	<u>1,148,699</u>	<u>1,085,002</u>	<u>1,146,245</u>
Current assets					
Debtors	11	35,822	24,227	148,035	198,180
Prepayments and accrued income	11	16,326	16,632	-	-
Cash at bank and in hand		<u>39,666</u>	<u>169,799</u>	<u>25,816</u>	<u>132,643</u>
		<u>91,814</u>	<u>210,658</u>	<u>173,851</u>	<u>330,823</u>
Creditors: amounts falling due within one year	12	<u>(231,266)</u>	<u>(91,013)</u>	<u>(163,792)</u>	<u>(62,436)</u>
Net current assets		<u>(139,452)</u>	<u>119,645</u>	<u>10,059</u>	<u>268,387</u>
Total assets less current liabilities		<u>945,877</u>	<u>1,268,344</u>	<u>1,095,061</u>	<u>1,414,632</u>
Creditors: amounts falling due after more than one year	12	<u>(50,333)</u>	<u>(60,334)</u>	<u>(31,666)</u>	<u>(41,667)</u>
Net assets	15	<u><u>895,544</u></u>	<u><u>1,208,010</u></u>	<u><u>1,063,395</u></u>	<u><u>1,372,965</u></u>
Charity funds					
Restricted funds	13	58,455	13,073	58,455	13,073
Unrestricted funds	13	<u>837,089</u>	<u>1,194,937</u>	<u>1,004,940</u>	<u>1,359,892</u>
Total funds		<u><u>895,544</u></u>	<u><u>1,208,010</u></u>	<u><u>1,063,395</u></u>	<u><u>1,372,965</u></u>

The financial statements were approved by the Trustees on 15th April 2024 and signed on their behalf by:



Christopher Gilbert, Chair of Trustees

The notes on pages 20 to 31 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2022

	Total funds 2022 £	Total funds 2021 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(123,025)	(313,898)
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(44,846)
Proceeds from sale of property, plant and equipment	-	-
Net cash provided by (used in) investing activities	-	(44,846)
Loans over 12 months taken out /(repaid)	(7,108)	41,667
Rent deposit over 12 months received	-	18,667
Change in cash and cash equivalents in the reporting period	(130,133)	(298,410)
Cash and cash equivalents at the beginning of the reporting period	169,799	486,785
Cash and cash equivalents at the end of the reporting period	39,666	169,799
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)	(312,466)	(436,006)
Adjustments for:		
Depreciation charges	63,367	71,273
(Decrease)/increase in debtors	(11,289)	30,430
(Decrease)/increase in creditors	137,363	20,405
Net cash used in operating activities	(123,025)	(313,898)

The notes on pages 20 to 31 form part of these financial statements.

Notes to the financial statement for the year ended 31 December 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) 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.

Due to the performance and external factors affecting the trading subsidiary, the Directors of CPotential Trading Limited have put the company into voluntary liquidation on 13 November 2023, this has seen the charity write off the outstanding loan after seeking professional advice post year end. The Trustees have prepared forecasts up to December 2026 which incorporate the above consideration and the sale and leaseback of Coppetts Road which completed on 22 March 2024 introducing additional funds into the Charity and providing accommodation for the services to continue. This has resulted in sufficient funds being held by the charity to continue as a going concern for the foreseeable future.

Notes to the financial statement for the year ended 31 December 2022

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.

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.

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 2022

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 2022

2. Income from donations, legacies and grant income

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Group and Charity	£	£	£	£
Donations from trusts and foundations	175,350	116,770	292,120	256,746
Donations from companies	-	-	-	-
Donations from individuals	26,814	-	26,814	20,489
Grants income (Covid-19 grant)	-	-	-	147,441
	<u>202,164</u>	<u>116,770</u>	<u>318,934</u>	<u>424,676</u>
Group and Charity 2021	320,079	104,597	424,676	

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 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Group	£	£	£	£
Trading income				
Sale of good in charity shops	180,935	-	180,935	152,488
Other income (incl Covid-19 gov grant)	5,548	-	5,548	38,418
	<u>186,483</u>	<u>-</u>	<u>186,483</u>	<u>190,906</u>
Trading expenditure				
Salaries and National Insurance	86,709	-	86,709	75,953
Rent of retail shops	77,500	-	77,500	93,382
Other expenses	23,045	-	23,045	24,756
Depreciation on tangible fixed assets	2,126	-	2,126	2,914
	<u>189,379</u>	<u>-</u>	<u>189,379</u>	<u>197,005</u>
Net income/(loss) from trading activities	(2,896)	-	(2,896)	(6,099)
Net income/(loss) from trading activities 2021	(6,099)	-	(6,099)	

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

4. Income from charitable activities

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Group and Charity	£	£	£	£
Sessional services	180,011	-	180,011	125,524
Income from charitable activities	180,011	-	180,011	125,524
Income from charitable activities 2021	125,524	-	125,524	

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 2022

5. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Group				
Income from investments	-	-	-	3,261
Bank interest	68	-	68	21
Interest income 2022	68	-	68	
Charity				
Income from investments	-	-	-	3,261
Bank interest	3	-	3	21
Intercompany loan interest	-	-	-	-
Investment income 2022	3	-	3	3,282
Investment income 2021	3,282	-	3,282	

6. Expenditure analysis by function and type of funding

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Raising funds				
Donations, legacies and capital grants	174,661	-	174,661	237,966
Trading activities	189,379	-	189,379	197,005
Other activities to generate funds	-	-	-	-
	364,040	-	364,040	434,971
Charitable activities				
Sessional services	547,648	71,387	619,035	733,435
Charity governance	14,821	-	14,821	11,988
	562,470	71,387	633,857	745,423
Other expenditure				
Capital project and campaign	-	-	-	-
Total expenditure - Group	926,510	71,387	997,897	1,180,394
Total expenditure - Charity	737,131	71,387	808,518	983,389

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 2022

7. Expenditure analysis of direct and support costs

Group	Cost of raising funds £	Cost of charitable activities £	Other costs £	Support costs £	Total 2022 £	Total 2021 £
Staff costs (charity)	82,655	264,179	-	251,304	598,138	743,624
Staff costs (trading)*	86,709	-	-	-	86,709	75,953
Other trading costs*	97,471	-	-	-	97,471	117,052
Other service costs	-	72,837	-	-	72,837	29,129
Fundraising	19,822	-	-	-	19,822	4,632
Running capital project	-	-	-	-	-	-
Audit	5,200	8,090	-	-	13,290	11,800
Other governance costs	-	12	-	-	12	(3)
Communications	-	-	-	11,611	11,611	16,666
Depreciation	-	-	-	1,507	1,507	68,359
Premises, office & IT	-	-	-	65,753	65,753	57,042
Management & HR	-	-	-	27,694	27,694	63,334
Financial administration	-	-	-	3,054	3,054	(7,194)
	291,856	345,118	-	360,923	997,897	1,180,394
Support costs	72,185	288,738	-	(360,923)	-	-
Total expenditure 2022	364,040	633,857	-		997,897	1,180,394
Total expenditure 2021	434,971	745,423	-		1,180,394	

Charity - All of the above expenditure was incurred by the charity apart from the two trading costs lines and £5,200 in the audit line.

Notes to the financial statement for the year ended 31 December 2022

8. Net incoming resources/(resources expended)

This is stated after charging:

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Depreciation on tangible fixed assets	63,367	71,273	61,241	68,359
Auditor's remuneration	13,290	11,800	8,090	7,800
Auditor's remuneration - non-audit	-	-	-	-
Pension costs	17,706	18,855	16,289	17,539

During the year, no Trustees received any remuneration (2021: £NIL).
During the year, no Trustees received any benefits in kind (2021: £NIL).
No Trustees received reimbursement of expenses (2021: £NIL).

9. Staff costs

Staff costs were as follows:

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	608,418	725,355	528,891	655,730
Social security costs	58,722	62,684	52,958	57,672
Pension costs	17,706	18,855	16,289	17,539
	684,846	806,894	598,138	730,941

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

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	No.	No.	No.	No.
Sessional services	8	11	8	11
Fundraising	1	2	1	2
Retail shops	5	5	-	-
Support	10	8	10	8
	24	26	19	21

One employee received remuneration amounting to more than £60,000 in the year. The employee was paid in the £60,000-£69,999 band (2021 - one employee)

During the year there was £0 redundancy pay (2021 - £10,469)

Notes to the financial statement for the year ended 31 December 2022

10. Tangible fixed assets

Group	Land & buildings £	Furniture & equipment £	Fixtures & fittings £	Total £
Cost				
At 1 January 2022	1,192,156	262,568	146,363	1,601,087
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2022	<u>1,192,156</u>	<u>262,568</u>	<u>146,363</u>	<u>1,601,087</u>
Depreciation				
At 1 January 2022	136,580	209,164	106,645	452,389
Charge for the year	21,154	26,990	15,223	63,367
On disposals	-	-	-	-
At 31 December 2022	<u>157,734</u>	<u>236,154</u>	<u>121,868</u>	<u>515,756</u>
Net book value				
At 31 December 2022	<u>1,034,422</u>	<u>26,414</u>	<u>24,495</u>	<u>1,085,331</u>
At 31 December 2021	<u>1,055,576</u>	<u>53,404</u>	<u>39,718</u>	<u>1,148,698</u>
Charity				
Cost				
At 1 January 2022	1,170,474	255,325	140,833	1,566,632
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2022	<u>1,170,474</u>	<u>255,325</u>	<u>140,833</u>	<u>1,566,632</u>
Depreciation				
At 1 January 2022	114,898	204,664	100,826	420,388
Charge for the year	21,154	24,909	15,178	61,241
On disposals	-	-	-	-
At 31 December 2022	<u>136,052</u>	<u>229,573</u>	<u>116,004</u>	<u>481,629</u>
Net book value				
At 31 December 2022	<u>1,034,422</u>	<u>25,752</u>	<u>24,829</u>	<u>1,085,003</u>
At 31 December 2021	<u>1,055,576</u>	<u>50,661</u>	<u>40,007</u>	<u>1,146,244</u>

Notes to the financial statement for the year ended 31 December 2022

11. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due after more than one year				
Amounts owed by group undertakings	-	-	97,031	115,091
Due within one year				
Outstanding fees	13,873	2,952	13,873	2,597
Amounts owed by group undertakings	-	-	37,131	80,492
Other debtors	21,949	21,275	-	-
Prepayments	13,584	13,979	-	-
Accrued income	2,742	2,653	-	-
	<u>52,148</u>	<u>40,859</u>	<u>148,035</u>	<u>198,180</u>

Included in the amounts due to the charity from group undertakings is a loan of £134,162 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 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	39,680	7,786	19,313	6,467
Tax and social security	109,926	17,300	106,107	16,066
Bank loan	11,226	8,333	11,226	8,333
Other creditors	4,704	4,459	4,457	4,193
Accruals	65,730	52,056	22,689	26,297
Deferred income	-	1,080	-	1,080
	<u>231,266</u>	<u>91,014</u>	<u>163,792</u>	<u>62,436</u>

Amounts falling due after more than one year

Rent deposit	18,667	18,667	-	-
Bank loan	31,666	41,667	31,666	41,667
	<u>50,333</u>	<u>60,334</u>	<u>31,666</u>	<u>41,667</u>

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 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Due within 1 year	11,226	8,333	11,226	8,333
Due between 1-2 years	19,999	10,000	19,999	10,000
Due between 2-5 years	11,667	30,000	11,667	30,000
Due after 5 years	-	1,667	-	1,667
	<u>42,892</u>	<u>50,000</u>	<u>42,892</u>	<u>50,000</u>

Notes to the financial statement for the year ended 31 December 2022

13. Statement of funds

	Brought forward £	Incoming resources £	Resources expended £	Gains/(losses) £	Transfers £	Carried forward £
Restricted funds						
Capital campaign fund	-	4,980	-	-	-	4,980
Equipment fund	6,872	3,500	(7,872)	-	-	2,500
Early Intervention fund	-	26,750	(19,084)	-	-	7,666
Wellbeing Therapy fund	1,200	-	(1,200)	-	-	-
Weekend Activities	-	33,463	-	-	-	33,463
Speech & Language Therapy	5,000	-	(5,000)	-	-	-
Immersive Story	-	7,433	(7,433)	-	-	-
Impact Measures Framework	-	26,500	(22,000)	-	-	4,500
Music Therapy fund	-	14,144	(8,798)	-	-	5,346
	<u>13,072</u>	<u>116,770</u>	<u>(71,387)</u>	<u>-</u>	<u>-</u>	<u>58,455</u>
Designated funds						
Land & building reserve	1,175,000	-	-	-	-	1,175,000
Maintenance reserve	-	-	-	-	-	-
Retail reserve	185,000	-	-	-	-	185,000
Innovation reserve	-	-	-	-	-	-
Events reserve	-	-	-	-	-	-
General funds	(165,064)	568,661	(926,510)	-	-	(522,913)
Total unrestricted	<u>1,194,936</u>	<u>568,661</u>	<u>(926,510)</u>	<u>-</u>	<u>-</u>	<u>837,087</u>
Total of funds	<u>1,208,008</u>	<u>685,431</u>	<u>(997,897)</u>	<u>-</u>	<u>-</u>	<u>895,542</u>
Restricted funds 2021						
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)	-	-	-
	-	9,900	(8,700)	-	-	1,200
	-	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 2021						
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 2021	(213,380)	639,791	(1,011,475)	-	420,000	(165,064)
Total unrestricted 2021	<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 2021	<u>1,644,015</u>	<u>744,388</u>	<u>(1,180,393)</u>	<u>-</u>	<u>-</u>	<u>1,208,009</u>

Notes to the financial statement for the year ended 31 December 2022

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.
Weekend activities	The weekend activities fund received monies for provision of play activities at weekends.
Immersive Story	The Immersive Story fund consists of monies to deliver reading and story telling activities.
Impact Measures Framework	The Impact Measures Framework consists of monies to develop an outcome indicators in therapy services effectiveness.

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 2022

15. Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tangible fixed assets	1,085,330	-	1,085,330	1,148,699
Current assets	33,358	58,455	91,814	210,658
Creditors due within one year	(231,266)	-	(231,266)	(91,013)
Creditors due after one year	(50,333)	-	(50,333)	(60,334)
	<u>837,089</u>	<u>58,455</u>	<u>895,544</u>	<u>1,208,010</u>
Tangible fixed assets 2021	1,148,699	-	1,148,699	
Current assets 2021	197,585	13,073	210,658	
Creditors due within one year 2021	(91,013)	-	(91,013)	
Creditors due after one year 2021	(60,334)	-	(60,334)	
	<u>1,194,938</u>	<u>13,073</u>	<u>1,208,010</u>	

16. Operating lease commitments

At 31 December 2022 the total of the future minimum annual lease payments under non cancellable operating leases

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Within 1 year	-	-	57,792	57,792
Between 1 and 5 years	-	-	224,000	224,000
More than 5 years	-	-	110,444	110,444
	<u>-</u>	<u>-</u>	<u>392,236</u>	<u>392,236</u>

17. Subsidiaries

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

The charitable company hasn't entered into any related party transaction during the year ended 31 December 2022

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 2022.

19. Post balance sheet events

In its financial statements, CPotential Trust reports an intercompany loan extended to its subsidiary, CPotential Trading. This loan originated in 2016, following a strategic restructuring of the trading division. Over the subsequent six years, multiple initiatives were undertaken to enhance the subsidiary's market presence, sales figures and reduction of overheads. Nonetheless, the subsidiary's performance was adversely impacted by the post-pandemic challenges facing the high street retail sector, notably the competition from online retailers. In response to these challenges, the board of directors resolved in October 2023 to initiate a creditors' voluntary winding-up process for the subsidiary. As of the financial year-end on 31 December 2022, the outstanding balance of the loan stood at £134,162. The loan is scheduled to be written off in 2023 accounts.

In 2021, CPotential Trust, opted for a sale and leaseback arrangement for its premises as a strategic move to liquidate the asset, this generated sale proceeds of £1.4m. The charity did not exchange and complete on this transaction until 22 March 2024 which saw the charity receive £627,750 after taking into consideration charges incurred and the repayment of funding taken out, post year end, to ensure the charity could continue to operate as a going concern. This funding has been vital to the continuation of the charity.