

**Registered number: 05848363**  
**Charity number: 1124524**

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Trustees' Report and Financial Statements**

**For the Year Ended 31 December 2023**

**CPOTENTIAL TRUST**  
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**Reference and Administrative Details of the Charity, its Trustees and Advisers**  
**For the Year Ended 31 December 2023**

<b>Trustees</b>	Christopher Gilbert, Chair Anthony Dowle (resigned 27 September 2023) Timothy Hammett Raisa Hassan (resigned 13 March 2024) Catherine Seddon Deborah Trigg (resigned 22 February 2024) Howard Cobb (appointed 22 May 2024)
<b>Company registered number</b>	05848363
<b>Charity registered number</b>	1124524
<b>Registered office</b>	143 Coppetts Road London N10 1JP
<b>Chief executive officer</b>	Brett Parker
<b>Independent auditors</b>	Xeinadin Audit Limited Chartered Accountant Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Barclays Bank plc 223 Muswell Hill Broadway London N10 1DD

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**Trustees' Report**  
**For the Year Ended 31 December 2023**

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 for the year to 31 December 2023. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity'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 2019).

Since the charity qualifies 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 1 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.

The charity operates with a Finance and Investment Committee aimed at enhancing financial oversight and strategic planning. Tim Hammett leads as chair, with members including Chris Gilbert (Chair of Trustees), Brett Parker (CEO), and Agnieszka Kosacz (Director of Finance). This committee convenes monthly to scrutinise financial performance and forecasts meticulously. It then advises and implements investment decisions, reporting back to the main board.

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.

**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 holistic support to children, young people and their families/ caregivers grappling with movement disorders, including cerebral palsy. We seamlessly and holistically blend physical, occupational, and communication therapies into our work. Guided by the ethos that every child holds the potential to learn, thrive, and 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.



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**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**In 2023 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.



**Maeve's mum** "I just want to say a very big thank you to CPotential. The way Maeve responds to Andrea in physiotherapy and does everything she tells her to do is amazing. Andrea, you're really special and CPotential are really lucky to have you! Thank you for the extra care and time you spend with Maeve!"

**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.

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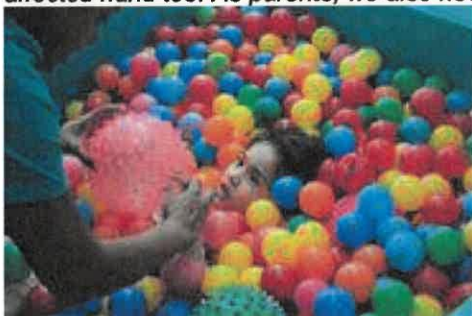
**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**Bea's mum** "My daughter Bea attends CPotential and I think they are an amazing organisation. She absolutely loves the music therapy sessions with Ruth. I love CPotential's philosophy on making therapy affordable and seeing huge potential in every child."



**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.

**Eva's mum** "Thank you for all the support and guidance! Since Eva has been coming to Conductive Education sessions and physiotherapy at CPotential, she has gained confidence and her mobility in getting around has definitely improved. She also now uses her unaffected hand well and is starting to grasp and release using her affected hand too. As parents, we also now feel we are able to better support Eva and manage her behaviour."



**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.

**Mark's mum** "Mark absolutely loves OT and Bimanual Therapy with the amazing Paula, especially the sensory swing, ball pit and making dinosaur toys. It's been hard work, but lots of great progress made. It's the people that make a place special and CPotential definitely has the most caring and amazing team we could have wished for. We are so thankful."



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**For the Year Ended 31 December 2023**

**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.



**Amelia's mum** "Amelia really has flourished at CPotential and we are so very grateful for every moment you have all put into her care. Her communication has improved so much since starting speech and language therapy, and her interaction with us and everything around her, We feel much closer as a whole family now we can interact better."

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

**Our Supporters.** We are grateful to our funders and supporters who have continued to support our work:

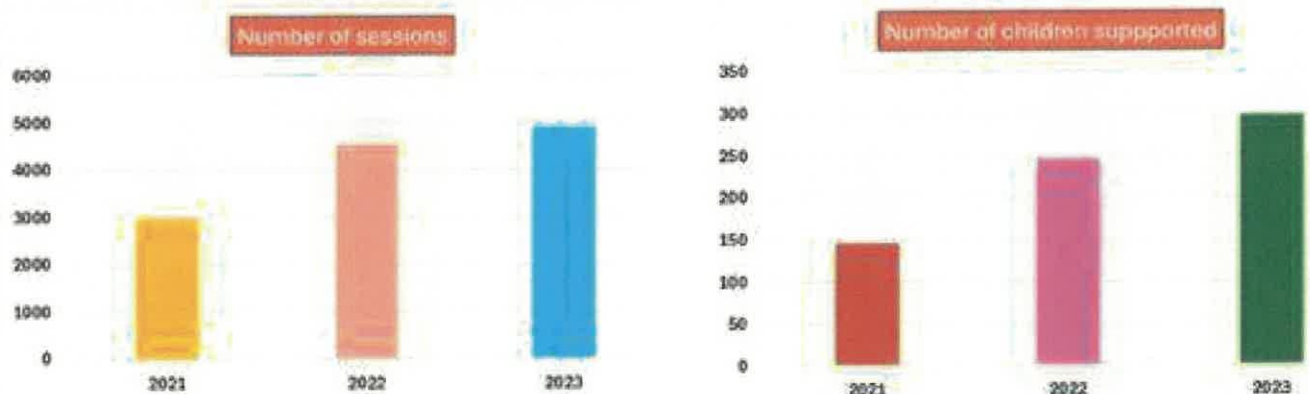
Amy Winehouse Foundation - Atkin Foundation - City Bridge Trust – Irwin Mitchell – Slater & Gordon - David Solomons Charitable Trust - Dora Rebecca Fine Charitable Trust - DWF Foundation - EF & MG Hall Charitable Trust - Garfield Weston Foundation - Harapan - Hazel and Leslie Peskin Charitable - Hospital 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

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**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**Achievements and performance**

In 2023, we saw a rise in the sessions we conducted, totalling 4782 compared to 4541 in 2022. Furthermore, we extended our support to more individual children, reaching 283 compared to 246 in 2022.



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 UK champion in unlocking potential in children and young adults with movement disorders by 2027

**Strategic Objectives**

**By 2024**

- We will continue to increase the number of children we support.
- We will introduce new technologies to assist with therapies.
- Expand our networks and support children from a wider geographic area.
- Continue to develop and strengthen our bursary support by way of fundraising.

**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 our intensive therapy blocks.**

*"Everything was great at CPotential. We had a great experience during Freddie's intensive therapy block. Exercises were just the right level of challenge and we've seen great progress over just two weeks. Our highlight was Freddie walking for 15 minutes on the treadmill." **Freddie's mum***

*"Our intensive therapy block at CPotential was perfect, and all the staff are very knowledgeable. A highlight for us was seeing Dominic using his muscles to sit up." **Dominic's mum***

*"It was a great experience from start to finish. Our highlight was seeing how well Harry did in DMI (Dynamic Movement Intervention) and how much he enjoyed the spider cage. The gains we see from intensive therapy are amazing. Harry wouldn't be where he is without them." **Harry's dad***

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**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**Financial review**

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.

**Income**

In 2023 we were pleased to increase our operating income by 20.6% to **£601,620 (2023) v £498,948 (2022)**.

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 2023 we were subjected to a total of **£250,370** extraordinary non-operational costs:

- i) **The closure of the trading subsidiary:** Despite all efforts to make the trading subsidiary financially stable enough to repay the initial set up and support loans, a combination of the pandemic's impact and rising cost of living expenses made this goal unattainable. Instead of accumulating more debt within the charity, the decision was made to liquidate the trading company. As a result, the intercompany loan of £175,968 was declared irrecoverable and written off. This appears on the accounts as an exceptional item.
- ii) **Interest on bridging finance:** The charity faced significant delays in its refinancing plans due to challenging negotiations with Haringey Council over a planning issue related to our Coppetts Road premises. As a result, the charity had to resort to taking out a bridging loan, incurring £52,462 in interest charges.
- iii) **Legal and professional fees on refinancing:** The delays and difficulties also resulted in the charity having to pay £21,940 in legal and professional fees.

These exceptional items saw a year-on-year increase in expenditure **£1,018,849 (2023) v £808,515 (2022)**

The extraordinary expenditure resulted in an increased year-on-year loss **£593,197 (2023) v £309,570 (2022)**.

This is a disappointing overall result, however, when adjusted to remove the extraordinary expenditure items the loss position is clearer: **£342,827 (2023) v £309,570 (2022)**. This increase in loss is a reflection of our investment in new therapists and the continued growth of services.

**Fundraising Income**

We were pleased to see a continued improvement of 5% growth in our fundraising **£336,256 (2023) v £318,934 (2022)**.

**The Charity income breakdown is as follows:**

	<b>2023</b>	<b>2022</b>
Donations and capital grants	£336,256	£318,934
Charitable activity	£264,294	£180,011
Investments	£1,070	£ 3
<b>Total Income</b>	<b>£601,620</b>	<b>£498,948</b>

**Recapitalisation**

In the 2022 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 £1.85m 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"*.

By the end of 2023 the completion of the recapitalisation was further postponed due to the planning issues with Haringey Council. It was finally completed in early 2024. Unfortunately, these unexpected delays have led to a decrease in property's value. The commercial property market has been affected by higher interest rates, and



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**For the Year Ended 31 December 2023**

Haringey Council has also imposed significant costs on us. Consequently, the final sale price was set at £1.3 million, compared to the originally expected £1.85 million.

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, it 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 2 to the Accounts.

**Plans for 2023 and beyond**

Our decision to expand our service capacity continues to prove advantageous. We maintain our confidence that our income will grow, and our losses will decrease throughout 2024 and beyond. Our projections indicate that we are on track to reach an underlying breakeven by 2026.

In 2024, we will persist in monitoring our progress and strive to achieve the following objectives:

- Attain financial break-even by the fiscal year 2026
- 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 2024

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.

**Risk management**

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

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

**Investment policy**

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 minimum of 2 months budgeted total expenditure for the current year is appropriate. This equates to minimum cash reserves of £120,000. With recapitalisation this amount will be met.

Over the next 24 months, our 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.

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**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of 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 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 2022 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.

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**Trustees' Report (continued)**  
**For the Year Ended 31 December 2023**

**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 order of the members of the board of Trustees and signed on their behalf by:



**Christopher Gilbert**  
(Chair of Trustees)  
Date: 28th June 2024



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**Chair of Trustees' Letter**  
**For the Year Ended 31 December 2023**

Accompanying the 2023 Annual Accounts for CPotential Trust

Dear Supporters and Stakeholders,

I am writing to present the 2023 annual accounts for CPotential, reflecting both the challenges and the significant progress we achieved throughout the year. Despite facing numerous obstacles, our commitment to improving the lives of the children we support remains steadfast.

The delays in finalising the charity's recapitalisation, primarily due to complications with Haringey Council, posed severe challenges. Our working capital, already weakened by the pandemic, further strained our operations and fundraising efforts. These delays incurred extraordinary costs amounting to £74,402 and resulted in an estimated fundraising loss of approximately £60,000. We are pleased to report that the recapitalisation was completed in March 2024, although at a reduced value due to the delays.

In 2023, it became apparent that our retail outlet, still recovering from the pandemic, was further impacted by rapidly increasing costs. To prevent further losses and escalating debt, the board made the difficult decision to close our remaining shop and liquidate the trading company. This resulted in writing off long-term debt of £175,968 incurred during the retail venture's startup phase.

Overall, we faced extraordinary non-operational costs totalling £250,370 in 2023. Consequently, our year-on-year loss increased to £593,197 in 2023 from £309,570 in 2022. While this is a disappointing result, excluding extraordinary expenditures clarifies the position: a loss of £342,827 in 2023 compared to £309,570 in 2022. When considering the loss of fundraising, the year-on-year position is essentially equalized.

Despite these financial challenges, we continued to advance our mission. In 2023, we conducted 4,782 sessions, up from 4,541 in 2022, and supported 283 individual children, an increase from 246 in the previous year. We further consolidated our service integration and embedded our impact measurement system. The introduction of extended therapy plans and intensive therapy blocks expanded our geographic reach, allowing us to support children in areas with reduced local service provision.

We are pleased to report that recognition of our approach and our reputation for delivering high quality, therapeutically evidenced services are growing rapidly. During 2023 we have been selected by the leading biotech organisation, Marsi Bionics (Madrid) as the sole partner to trial the UK's first paediatric exoskeleton. Trials will begin in early 2024.

In conclusion, despite the obstacles we faced, our operational team and trustees remain dedicated to enhancing the lives of the children we support. We extend our heartfelt gratitude to the individuals, staff, trust funds, and companies that have unwaveringly supported us throughout this journey. Together, we are profoundly impacting the lives of those we serve.

Thank you for your continued support.

Sincerely,



Christopher Gilbert  
Chair of Trustees, CPotential

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**Independent Auditors' Report to the Members of CPotential Trust**

**Opinion**

We have audited the financial statements of CPotential Trust (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2023 and of its 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 charitable company 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.

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**Independent Auditors' Report to the Members of CPotential Trust (continued)**

**Other information**

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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**Independent Auditors' Report to the Members of CPotential Trust (continued)**

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 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:

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](http://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*

**Xeinadin Audit Limited**  
Chartered Accountant  
Statutory Auditor  
12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 28 June 2024

Xeinadin Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**CPOTENTIAL TRUST**  
(A Company Limited by Guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 December 2023**

	<b>Note</b>	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
<b>Income from:</b>					
Donations and legacies	3	301,436	34,820	336,256	318,934
Charitable activities	4	264,294	-	264,294	180,011
Investments	5	1,070	-	1,070	3
<b>Total income</b>		<b>566,800</b>	<b>34,820</b>	<b>601,620</b>	<b>498,948</b>
<b>Expenditure on:</b>					
Raising funds		77,230	-	77,230	87,514
Charitable activities	6	868,607	73,012	941,619	721,004
<b>Total expenditure</b>		<b>945,837</b>	<b>73,012</b>	<b>1,018,849</b>	<b>808,518</b>
<b>Net expenditure before net losses on investments</b>		<b>(379,037)</b>	<b>(38,192)</b>	<b>(417,229)</b>	<b>(309,570)</b>
Exceptional item	11	(175,968)	-	(175,968)	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(555,005)</b>	<b>(38,192)</b>	<b>(593,197)</b>	<b>(309,570)</b>
<b>Net movement in funds</b>		<b>(555,005)</b>	<b>(38,192)</b>	<b>(593,197)</b>	<b>(309,570)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,004,940	58,455	1,063,395	1,372,965
Net movement in funds		(555,005)	(38,192)	(593,197)	(309,570)
<b>Total funds carried forward</b>		<b>449,935</b>	<b>20,263</b>	<b>470,198</b>	<b>1,063,395</b>

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**  
**Registered number: 05848363**

**Balance Sheet**  
**As at 31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	1,045,566	1,085,003
<b>Current assets</b>			
Debtors	13	19,505	148,035
Cash at bank and in hand		37,024	25,816
		<u>56,529</u>	<u>173,851</u>
Creditors: amounts falling due within one year	14	<u>(609,397)</u>	<u>(163,793)</u>
<b>Net current liabilities / assets</b>		<b>(552,868)</b>	<b>10,058</b>
<b>Total assets less current liabilities</b>		<b>492,698</b>	<b>1,095,061</b>
Creditors: amounts falling due after more than one year	15	<u>(22,500)</u>	<u>(31,666)</u>
<b>Total net assets</b>		<b>470,198</b>	<b>1,063,395</b>
<b>Charity funds</b>			
Restricted funds	16	20,263	58,455
Unrestricted funds	16	449,935	1,004,940
<b>Total funds</b>		<b>470,198</b>	<b>1,063,395</b>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.


The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
**Christopher Gilbert**  
 (Chair of Trustees)  
 Date: 28th June 2024

The notes on pages 18 to 34 form part of these financial statements.

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 December 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(404,528)	(99,719)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(11,581)	-
<b>Net cash (used in)/provided by investing activities</b>	(11,581)	-
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	437,000	-
Repayments of borrowing	(9,683)	(7,108)
<b>Net cash provided by/(used in) financing activities</b>	427,317	(7,108)
<b>Change in cash and cash equivalents in the year</b>	11,208	(106,827)
Cash and cash equivalents at the beginning of the year	25,816	132,643
<b>Cash and cash equivalents at the end of the year</b>	37,024	25,816

The notes on pages 18 to 34 form part of these financial statements

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**1. 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.

**2. Accounting policies**

**2.1 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

CPotential Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are presented in sterling and are rounded to the nearest pound.

**2.2 Going concern**

During the year, the charity incurred a post-tax loss of £593,197 and had net current liabilities of £552,868 at the balance sheet date. The charity was dependent on the sale and leaseback of its property, which completed on 22 March 2024, introducing £627,750 into its funds, alongside future funds raised through regular activities. The charity's trading subsidiary entered voluntary liquidation in the previous year. The Trustees and senior management team have been diligently working to increase funding and maintaining expenditure by:

1. Expanding the service delivery team to enhance session availability.
2. Introducing innovative technologies such as Atlas Exo skeleton to attract service users with case managed funds.
3. Launching targeted funding campaigns for corporate sponsorship and increased community donations.
4. Collaborating with a specialist funding consultant to review all fundraising methods and establish connections with known philanthropists.

Additionally, resources and systems established in 2023 are expected to reduce back-office costs.

In consequence, the trustees have prepared the financial statement on a going concern basis.



**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**2. Accounting policies (continued)**

**2.3 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.

**2.4 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.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Governance 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.

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land and buildings	-	2%
Building improvements	-	5%
Fixtures and fittings	-	20%
Furniture and equipment	-	33%

**2.8 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.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**2. Accounting policies (continued)**

**2.12 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.14 Fund accounting**

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

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

Restricted funds are to be used for specific 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.

**CPOTENTIAL TRUST**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**3. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
<b>Donations</b>				
Donations from trusts and foundations	223,045	34,820	<b>257,865</b>	292,120
Donations from individuals	78,391	-	<b>78,391</b>	26,814
	<u>301,436</u>	<u>34,820</u>	<u><b>336,256</b></u>	<u>318,934</u>
	<u>301,436</u>	<u>34,820</u>	<u><b>336,256</b></u>	<u>318,934</u>
<i>Total 2022</i>	<u><u>202,164</u></u>	<u><u>116,770</u></u>	<u><u>318,934</u></u>	

**4. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Sessional services	264,294	<b>264,294</b>	180,011
	<u>180,011</u>	<u>180,011</u>	
<i>Total 2022</i>	<u><u>180,011</u></u>	<u><u>180,011</u></u>	

**5. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Bank interest	1,070	<b>1,070</b>	3
	<u>3</u>	<u>3</u>	
<i>Total 2022</i>	<u><u>3</u></u>	<u><u>3</u></u>	

**CPOTENTIAL TRUST**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total 2023 £</b>	<i>As restated Total 2022 £</i>
Sessional services	868,607	73,012	<b>941,619</b>	721,004
<i>Total 2022 as restated</i>	<b>649,617</b>	<b>71,387</b>	<b>721,004</b>	

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>	<i>As restated Total funds 2022 £</i>
Sessional services	321,138	620,481	<b>941,619</b>	721,004
<i>Total 2022 as restated</i>	<b>309,817</b>	<b>411,187</b>	<b>721,004</b>	

**Analysis of direct costs**

	<b>Sessional services 2023 £</b>	<b>Total funds 2023 £</b>	<i>As restated Total funds 2022 £</i>
Staff costs	266,505	<b>266,505</b>	264,180
Other service costs	54,633	<b>54,633</b>	45,637
	<b>321,138</b>	<b>321,138</b>	309,817
<i>Total 2022 as restated</i>	<b>309,817</b>	<b>309,817</b>	

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Sessional services 2023 £</b>	<b>Total funds 2023 £</b>	<i>As restated Total funds 2022 £</i>
Staff costs	373,569	<b>373,569</b>	251,304
Depreciation	51,018	<b>51,018</b>	63,367
Premises, office & IT	66,632	<b>66,632</b>	62,171
Financial administration	1,542	<b>1,542</b>	1,844
Advertising costs	2,047	<b>2,047</b>	1,386
Bank fees	1,642	<b>1,642</b>	2,216
Interest paid	54,366	<b>54,366</b>	2,778
Loan set up costs	11,639	<b>11,639</b>	-
Professional fees	40,647	<b>40,647</b>	17,456
Audit fees	13,600	<b>13,600</b>	8,090
Other support costs	3,779	<b>3,779</b>	575
	<u>620,481</u>	<u><b>620,481</b></u>	<u>411,187</u>
<i>Total 2022 as restated</i>	<u>411,187</u>	<u><b>411,187</b></u>	

**8. Auditors' remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Fees payable to Xeinadin Audit Limited for the audit of the Charity's annual accounts	<b>15,000</b>	10,200
Fees payable to Xeinadin Audit Limited and its associates in respect of: All non-audit services not included above	<u><b>2,340</b></u>	<u>-</u>

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**9. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>626,256</b>	<b>528,892</b>
Social security costs	<b>56,052</b>	<b>52,958</b>
Pension costs	<b>18,934</b>	<b>16,289</b>
	<b>701,242</b>	<b>598,139</b>

The average number of persons employed by the Charity during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Sessional services	<b>10</b>	<b>8</b>
Fundraising	<b>2</b>	<b>1</b>
Support	<b>11</b>	<b>10</b>
	<b>23</b>	<b>19</b>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>

The key management personnel of the charity comprise the senior management team. Total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charity was £243,717 (2022 - £235,945).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**11. Exceptional items**

	2023 £	2022 £
Investment and intercompany loan write-off	(175,968)	-

During the year an investment of £nil, after historic impairment, and an intercompany loan of £175,968 had been written off due to the subsidiary, CPotential Trading, being put into voluntary liquidation in October 2023. The intercompany 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.

**12. Tangible fixed assets**

	Land & buildings £	Furniture & equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2023	1,170,474	255,325	140,833	1,566,632
Additions	-	6,601	4,980	11,581
Disposals	-	(21,063)	-	(21,063)
At 31 December 2023	1,170,474	240,863	145,813	1,557,150
<b>Depreciation</b>				
At 1 January 2023	136,052	229,573	116,004	481,629
Charge for the year	21,154	19,202	10,662	51,018
On disposals	-	(21,063)	-	(21,063)
At 31 December 2023	157,206	227,712	126,666	511,584
<b>Net book value</b>				
At 31 December 2023	1,013,268	13,151	19,147	1,045,566
At 31 December 2022	1,034,422	25,752	24,829	1,085,003

The Charity sold and leased back the freehold property in March 2024. See note 23 for further information.



**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**13. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	97,031
	<hr/>	<hr/>
	-	97,031
<b>Due within one year</b>		
Outstanding fees	18,983	13,873
Amounts owed by group undertakings	-	37,131
Prepayments and accrued income	522	-
	<hr/>	<hr/>
	<b>19,505</b>	<b>148,035</b>
	<hr/> <hr/>	<hr/> <hr/>

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**14. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	10,709	11,226
Other loans	437,000	-
Trade creditors	15,301	19,313
Other taxation and social security	81,973	106,107
Other creditors	18,761	4,457
Accruals and deferred income	45,653	22,690
	<u>609,397</u>	<u>163,793</u>
	2023 £	2022 £
Resources deferred during the year	<u>10,000</u>	<u>-</u>

Deferred income above represents amounts invoiced in advance on sponsorship agreements.

**15. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Bank loans	<u>22,500</u>	<u>31,666</u>
Included within the above are amounts falling due as follows:		
	2023 £	2022 £
<b>Between one and two years</b>		
Bank loans	<u>10,000</u>	<u>19,999</u>
<b>Between two and five years</b>		
Bank loans	<u>12,500</u>	<u>11,667</u>
<b>Over five years</b>		

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.

Included within Other Loans is £437,000 in relation to a bridging loan which is secured by way of a fixed charge over the freehold building.

**CPOTENTIAL TRUST**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Land & building reserve	1,175,000	-	-	-	1,175,000
Retail reserve	185,000	-	-	-	185,000
	<u>1,360,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,360,000</u>
<b>General funds</b>					
General funds	(355,060)	566,800	(945,837)	(175,968)	(910,065)
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Total Unrestricted funds</b>	<u>1,004,940</u>	<u>566,800</u>	<u>(945,837)</u>	<u>(175,968)</u>	<u>449,935</u>
<b>Restricted funds</b>					
Capital capaign fund	4,980	-	(4,980)	-	-
Equipment fund	2,500	-	(2,500)	-	-
Early Intervention fund	7,666	-	(7,666)	-	-
Weekend Activities	33,463	-	(33,463)	-	-
Impact Measures Framework	4,500	-	(4,500)	-	-
Music Therapy Fund	5,346	34,820	(19,903)	-	20,263
	<u>58,455</u>	<u>34,820</u>	<u>(73,012)</u>	<u>-</u>	<u>20,263</u>
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Total of funds</b>	<u>1,063,395</u>	<u>601,620</u>	<u>(1,018,849)</u>	<u>(175,968)</u>	<u>470,198</u>

**CPOTENTIAL TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2022 £</i>
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Land & building reserve	1,175,000	-	-	1,175,000
Retail reserve	185,000	-	-	185,000
	<u>1,360,000</u>	<u>-</u>	<u>-</u>	<u>1,360,000</u>
<b>General funds</b>				
General funds	(107)	382,178	(737,131)	(355,060)
	<u>1,359,893</u>	<u>382,178</u>	<u>(737,131)</u>	<u>1,004,940</u>
<b>Total Unrestricted funds</b>				
<b>Restricted funds</b>				
Capital capaign 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>58,455</u>
<b>Total of funds</b>	<u><u>1,372,965</u></u>	<u><u>498,948</u></u>	<u><u>(808,518)</u></u>	<u><u>1,063,395</u></u>

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**Notes to the Financial Statements**  
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**16. Statement of funds (continued)**

**Purposes of restricted funds**

Capital campaign fund	The capital campaign fund consists of monies donated for the development of an extension and improvements to the Centre's building.
Equipment fund	The equipment fund consists of monies donated for the purchase of small items and capital items for the front-line services.
Early intervention fund	The early intervention fund consists of monies received for delivering our preschool 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 storytelling 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.

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**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

**17. Summary of funds**

**Summary of funds - current year**

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	1,360,000	-	-	-	1,360,000
General funds	(355,060)	566,800	(945,837)	(175,968)	(910,065)
Restricted funds	58,455	34,820	(73,012)	-	20,263
	<u>1,063,395</u>	<u>601,620</u>	<u>(1,018,849)</u>	<u>(175,968)</u>	<u>470,198</u>

**Summary of funds - prior year**

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Designated funds	1,360,000	-	-	1,360,000
General funds	(107)	382,178	(737,131)	(355,060)
Restricted funds	13,072	116,770	(71,387)	58,455
	<u>1,372,965</u>	<u>498,948</u>	<u>(808,518)</u>	<u>1,063,395</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,045,566	-	1,045,566
Current assets	36,266	20,263	56,529
Creditors due within one year	(609,397)	-	(609,397)
Creditors due in more than one year	(22,500)	-	(22,500)
<b>Total</b>	<u>449,935</u>	<u>20,263</u>	<u>470,198</u>

**CPOTENTIAL TRUST**  
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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	1,085,003	-	1,085,003
Debtors due after more than one year	97,031	-	97,031
Current assets	18,365	58,455	76,820
Creditors due within one year	(163,793)	-	(163,793)
Creditors due in more than one year	(31,666)	-	(31,666)
<b>Total</b>	<u><u>1,004,940</u></u>	<u><u>58,455</u></u>	<u><u>1,063,395</u></u>

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2023 £</b>	<b>2022 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(593,197)</u>	<u>(309,570)</u>
<b>Adjustments for:</b>		
Depreciation charges	51,018	61,243
Decrease in debtors	128,530	50,145
Increase in creditors	9,121	98,463
<b>Net cash used in operating activities</b>	<u><u>(404,528)</u></u>	<u><u>(99,719)</u></u>

**20. Analysis of cash and cash equivalents**

	<b>2023 £</b>	<b>2022 £</b>
Cash in hand	<u>37,024</u>	<u>25,816</u>
<b>Total cash and cash equivalents</b>	<u><u>37,024</u></u>	<u><u>25,816</u></u>

**CPOTENTIAL TRUST**  
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**Notes to the Financial Statements**  
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**21. Analysis of changes in net debt**

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	25,816	11,208	37,024
Debt due within 1 year	(11,226)	(436,483)	(447,709)
Debt due after 1 year	(31,666)	9,166	(22,500)
	<u>(17,076)</u>	<u>(416,109)</u>	<u>(433,185)</u>

**22. Related party transactions**

During the year, CPotential Trust loaned amounts totalling £40,717 (2022 - £3,645) to CPotential Trading Limited, its subsidiary company. CPotential Trust received repayments of £42,300 (2022 - £59,776) from CPotential Trading Limited and wrote off an outstanding loan amount of £175,968 due to the subsidiary entering liquidation in the year. CPotential Trust also recharged £8,000 of liquidation costs to CPotential Trading Limited in the year. No amounts remained outstanding at the balance sheet date.

**23. Post balance sheet events**

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.