NATURAL BREAKS LIMITED

England & Wales · Charity number 1168733

Details

Status	Registered
Legal form	Charitable company
Company number	02996621
Registered	2016-08-11
Register	View on the Charity Commission register

Contact

Address	Natural Breaks Ltd Millennium Resource Centre Blenheim Street Liverpool L5 8UX
Phone	07802679524
Email	info@naturalbreaks.co.uk
Website	www.naturalbreaks.co.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:TO RELIEVE THE NEEDS OF ADULTS AND CHILDREN WITH DISABILITIES AND THEIRCARERS RESIDING IN THE NORTH WEST OF ENGLAND BY:A. PROVIDING HELP, SUPPORT AND GUIDANCEB. PROMOTING HEALTH AND WELLBEING THROUGH SUPPORTINGINDIVIDUALS TO LEAD FULL AND ACTIVE LIVESC. PROVIDING SUPPORTED HOLIDAYSD. PROVIDING OPPORTUNITIES FOR RESPITE.

Activities: We are a Charity that provides outstanding support services for people with Learning Disabilities, Mental Health issues, Physical Disabilities and Acquired Brain Injuries in the North West of England.We began in 1991 and now support over 100 people via our support living, social and learning, out and about, Multiple and Complex Health Needs and Children's Services.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, Recreation
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Downloaded from opencharities.uk/ew/1168733

Geography

- **Area of benefit:** THE NORTH WEST OF ENGLAND
- Liverpool City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,314,348	£4,295,681	£942,564	131
2024-03-31	£3,974,082	£3,785,957	£923,897	120
2023-03-31	£3,367,996	£3,365,381	£735,772	108
2022-03-31	£3,133,632	£2,994,454	£733,157	103
2021-03-31	£2,991,248	£2,813,926	£593,979	112

Trustees

Name	Role	Appointed
KEVIN CHARLES LLOYD	Chair	2004-11-29
Daniel O'Shaughnessy		2023-06-19
JULIA DOROTHY ERSKINE		2009-03-02
Philip Weston		2023-06-19
ROBERT ITIOKIET		1993-06-07

Downloaded from opencharities.uk/ew/1168733

NATURAL BREAKS LIMITED

England & Wales - Charity number 1168733

Accounts

REGISTERED COMPANY NUMBER: 02996621 (England and Wales)
REGISTERED CHARITY NUMBER: 1168733

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2025

for

Natural Breaks Limited

SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Natural Breaks Limited

Contents of the Financial Statements
for the Year Ended 31 March 2025

	Page
Report of the Trustees	1 to 11
Report of the Independent Auditors	12 to 15
Statement of Financial Activities	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Statement of Cash Flows	19
Notes to the Financial Statements	20 to 26

Report of the Trustees for the Year Ended 31 March 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve the needs of adults and children with disabilities and their carers residing in the North West of England by:

- Providing help, support and guidance.
- Promoting health and well being through supporting individuals to lead full and active lives.
- Providing supported holidays.
- Providing opportunities for respite.

Mission

We believe living an ordinary life can be extraordinary. Our mission is to work with people with disabilities, their families, commissioners and our strategic partners

- to develop and deliver excellent personalised services,
- providing the highest standards of support and care,
- and best value for money

so that people with disabilities and complex needs and their families can live more fulfilling and inclusive lives.

Values

Our mission is underpinned through 'The Natural Breaks Way'; our values being:

- Person Centeredness
  The people we support are at the heart of everything we do. We believe in empowering people to develop the skills and confidence to fulfil their aspirations and dreams.
- Respect
  We believe in paying due regard and consideration for the feelings, abilities and rights of others. Natural Breaks is a place where everyone feels valued and contributes to making a difference.
- Kind
  We believe in the importance of being caring and considerate in providing support that empowers people to live their best life.
- Commitment
  We are dedicated to working together to deliver an exceptional service where people are encouraged to achieve their goals and aspirations.
- Inclusive
  We believe every individual has the right to live as a valued member of their community, creating a sense of belonging and ability to positively contribute to that community.
- Creative
  We are imaginative and resourceful in finding solutions which meet individual needs and aspirations, as well as those of the organisation.

Our key business objectives for 2024-2025 were as follows:

- To continually assess the needs and priorities of people we support, workforce availability and technological solutions to deliver services in a safe and secure was.
- To provide value for money to the people and organisations who commission our services.
- To maintain our position as a preferred supplier with Liverpool Adult Social Services and all local authorities in the areas where we operate as an approved provider on the Liverpool City Region Framework.
- To deliver the Financial Sustainability Plan to increase income generation and to tightly manage expenditure.
- To develop a pathway to prepare to achieve CQC Outstanding status.
- To deliver our Workforce Development Strategy and implement changes to our pay and benefits, terms and conditions, health and wellbeing support.
- To commence 'Natural Breaks 2030' - a strategic review of the needs of people we support, their families and commissioners from 2025 onwards.
  To deliver our 'Back to Basics' programme, bringing together staff, senior managers and Trustees in resetting expectations and standards using insights and experiences of the people we support.
- To develop our Cyber Resilience strategy and Digital Development Plans.
- To continually review how the services we provide fit with the 'a life not a service' concept and identifying how we could address those needs.
- To develop innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services.

OBJECTIVES AND ACTIVITIES

Significant activities

Supported Living - we support 25 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.

Social and Learning - we work with 39 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

'The Breakers' caravan - our accessible caravan in North Wales. In total 15 people we support and other people with disabilities, plus their families or carers used the caravan, some more than once.

Newquay Holiday - this is an annual event that takes place in late Summer. In 2024, 10 people we support went with 3 staff. The trustees are extremely grateful to Liverpool Lions for their financial contribution to costs and Newquay Lions who host the trip and provide a range of activities for the people we support to enjoy.

We delivered a number of events in 2024-25. The events held were designed to appeal to different tastes and interests of as many people we support as possible. Where possible the events were opened up to people with needs who are not supported by Natural Breaks and in some cases, the local community. We were able to utilise some of the funds raised through 'Take a Break with Natural Breaks' fundraising to make these events accessible to more people. Highlights included:

- Excursions to get 'sea air' at Llandudno, Blackpool, and West Kirby.
- Trips to Cheshire Oaks (Christmas Shopping) and ITV's Coronation Street set.
- Seasonal events to celebrate Easter and a Halloween party.
- Celebrating landmark birthdays for people we support and long service awards for staff.
- Christmas Party, Christmas jumper day and trip to see a local Christmas Panto.
- Launching inclusive Bowling Nights which have become particularly nice event for friends and families to join in.
- A walking group established by our Have Your Say group - the representatives of people we support - who identify and lead walks in parks and other places of interest on Merseyside.

A copy of the 2024-25 Impact Report is available on our website https://www.naturalbreaks.co.uk/

Public benefit

In setting our objectives and planning our activities the trustees have considered the Charity Commission's general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

In the year to 31 March 2025 our key achievements were as follows:

- Continuing to provide quality services to the people we support and their families and carers, despite the well documented challenges the sector faces. The Care Quality Commission's approach to inspections of providers' services has changed but our rating remains GOOD. In their July 2023 'off-site' dynamic monitoring review the inspectors stated 'we have not found evidence that we need to carry out an inspection or reassess our rating'. The last full inspection in May 2019 focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas. The inspector commented:
  'People were positive about the care and support they received from Natural Breaks'
  `Staff were caring and always promoted people's dignity and independence'
  `People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
  'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
  Risks which compromised people's health and well-being were appropriately assessed, and contained a high level of detailed information'

Two of our senior managers have jointly run the Liverpool Registered Managers forum since March 2024.

- Maintaining preferred supplier status with Liverpool Adult Social Services. Liverpool City Council Contracts and Commissioning meetings with providers have now resumed and cover; safeguarding, quality assurance, use of voids and topical matters. No issues were raised in respect of Natural Breaks, and only positive verbal feedback was received about the Charity's excellent reputation.
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Delivering our financial sustainability plan, which enabled us to increase income and manage our costs whilst keeping our 2024-25 pay rates at Real Living Wage levels.
- Using the Positive Behavioural Support skills and knowledge [1] in our senior management team to ensure a further successful transition of two young people with multiple complex needs from child to adult social care. Achievements that have led to us being approached to deliver similar services.
- Developing ideas around 'a life not a service', for example; future proofing housing models, facilitating volunteering opportunities in local communities, people we support co-editing our newsletter and determining the annual events programme.
- Listening to the people we support and their families to understand how well our support services are meeting their needs and identify what's working well for them and where improvements could be made. In our 2025 annual survey we focussed on; safety, effectiveness, caring, responsive and well-led:- 95% rated our services safe- 98% rated our services effective- 97% rated our services as caring- 95% rated our services as responsive- 95% rated our services as well-led
- Delivering our Workforce Development Strategy; pulling together initiatives around pay, benefits, conditions, training & development, health and wellbeing ensuring we remain an attractive and competitive employer. In our latest staff survey (July 2025) employees were asked what they felt about their job and overall experience of working at Natural Breaks, what's working for them and where improvements could be made:- 93% considered their job responsibilities were clearly defined- 86% felt they were kept up to date with news about our organisation and developments- 88% felt Natural Breaks is committed to ensuring the wellbeing of employees- 93% considered they're happy in their work- 86% would recommend Natural Breaks a good place to work- 70% felt our employee benefits scheme suitable
- Developing our Cyber Resilience strategy and Digital Development Plans; including further implementation of our care support system, data migration to cloud storage and replacing obsolete hardware to support the upgrade to Windows 11 across the organisation.
- Delivering our 'Back to Basics' programme - a series of workshops bringing together staff, senior managers and Trustees with the people we support, to reset expectations, standards and clarity around roles and responsibilities.
- Seeing the Have Your Say group grow in confidence with an increased sense of empowerment, where they have made important contributions to the 'Back to Basics' workshops, staff Welcome/Induction days, interview panels and training sessions.
- Kicking off the 'Natural Breaks 2030' strategic review started with a visioning workshop to consider the needs of people we support, their families and commissioners in five years time. Follow-on strategic work to consider digital and workforce developments and impacts is part of our 2025-26 plans.

[1] One of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status

ACHIEVEMENTS AND PERFORMANCE

Fundraising activities

The Trustees decided to aim for modest fundraising levels in 2024-25 and to continue all fundraising without recourse to an internal fundraiser or external support.

The charity successfully raised funds around the theme 'Take a Break with Natural Breaks'. This fund is designed to provide assistance for people with disabilities to be able to access subsidised trips, events etc. Our Chief Executive led on bids and other funds were raised through our staff and trustees, their families and friends, and families and friends of people we support.

We raised £6,185 mainly through the following:

- A successful bid for £4,000 from Scott Bader
- A donation from an employee of Scott Bader, related to a person we support, using their allocation of the Scott Bader Employees charity support scheme
- Other donations from individuals connected with our staff, trustees and friends and families of people we support
- The easy fundraising scheme when our supporters use this facility for their on-line shopping

Additionally; one of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status.

- A relative of our Finance Manager and their work colleagues gave their 'charity day' to decorate the home of a person we support,
- A relative of our Chief Executive gave their 'charity day' to mentor our Communications & Marketing coordinator.

Our website, fully launched in 2018, has excellent, secure fundraising functionality and is the prime method for receiving donations.

Natural Breaks has registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We do not use professional fundraisers or commercial participators. All events are managed by a nominated employee and all funds raised are managed by our Finance Manager. The very nature of our charity brings us into contact with vulnerable people and we have robust safeguarding and professional boundaries policies. We have had no complaints about fundraising by our charity.

Internal and external factors

The trustees are delighted with the performance of our Chief Executive, Diane Hesketh. Diane is an ideal fit for Natural Breaks; she always brings great enthusiasm to the role, her leadership has transformed the senior management team, motivated and developed our workforce, raised the profile and importance of Natural Breaks with commissioners. Diane has a real rapport with the people we support and their families. Due to Diane's leadership Natural Breaks was nominated as a finalist at the 2024 National Diversity Awards, whilst at the 2024 Learning Disability & Autism Awards our Have Your Say group was shortlisted for 'The Peoples Award' and one of our senior managers was shortlisted for 'The Outstanding Contribution Award'. Diane herself was shortlisted for a Women Achieving Greatness in Social Care (WAGS) award.

FINANCIAL REVIEW

Financial position

The actions in our Financial Sustainability Plan, first introduced by the trustees in 2018-19, continued through 2024-25. Our income grew by 8 6%, reflecting uplifts in rates paid by commissioners and increased delivery. Through careful management of resources (e.g. yet again we delivered our services without recourse to agency staffing) and tight control of costs, we were able to continue to pay at Real Living Wage levels but keep our expenditure increase to 13.5%. Overall, the organisation recorded a surplus of £18,667 (0.4%) which was better than forecast in the plan.

The trustees have agreed a further financial sustainability plan for 2025-26 with a number of actions identified, initiatives to increase overall income and measures to tightly control costs.

Included within the charity balance sheet at the year-end is an amount of £86,627 being deposits held on behalf of beneficiaries of the charity (the 'Designated Custodian Fund'), the amount is duly represented by an equal creditor of £86,627.

FINANCIAL REVIEW

Principal funding sources

Our principal funding in 2024-25 came from commissioners in the local authorities of Liverpool and Sefton with some via NHS Continuing Health Care. Other funding came from direct payments by people we support, their families and carers.

There were restricted grants and funds received in 2024-25 amounting to £7,906 in respect of the 'Take a Break with Natural Breaks' fund and funding for the caravan.

Investment policy and objectives

Funds that are surplus to requirements in the short term are kept in fixed term and notice-based interest-bearing accounts in accordance with the charity's Investments Strategy. The trustees consider that the return of 1.8% for 2024-25 is acceptable given the nature of the investments. Natural Breaks does not have any other investments.

Reserves policy

Natural Breaks is determined to keep a level of reserves commensurate with balancing the need to release funds with the need to retain sufficient funds for an orderly, compliant closure and redundancy costs. The calculation of average monthly operating costs includes all recurring predictable expenses such as redundancy for office-based staff, salaries, tax/NI and rent. Best- and worst-case breakdowns are held with the organisation's Reserve Policy.

The level of reserves at 31 March 2025 increased to £942,564. The trustees acknowledge that this is higher than that required by the best-case (£310,127) and worst-case (£441,407) costs in the Reserves Policy but they believe that it is appropriate in view of the general economic uncertainty in the sector, pressures on income and increasing staff costs, for example, employers national insurance. The Reserves Policy is kept under regular review and at the next major review in 2026 trustees will consider policy robustness and appropriate levels of reserves against emerging threats, for example, cyber.

FUTURE PLANS

The trustees are fully aware of the short/medium term challenges Natural Breaks face in delivering social care. The need to balance the pressures on income; the expectations of people we support and their families and carers; the need to excel in regulatory requirements and to meet the needs to reward and develop our workforce are kept in sharp focus. Looking to the longer term, the trustees recognise that there will be significant changes to social care provision and, with our Chief Executive and all managers, are continuing work to develop our 'Natural Breaks 2030' strategy which will shape our business plans over the next five years.

Our plans for 2025-26 build on the financial sustainability and the workforce development actions introduced in previous years that have placed the organisation in ideal shape to expand the range of services and activities we can provide. Our plans include:

- Ensuring we continue delivering services in a safe and secure way by assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance guidance
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Implementing a pathway to achieve CQC Outstanding status
- Delivering our Workforce Development plan, implementing changes to our pay and benefits, terms and conditions, health and wellbeing support to ensure we remain an attractive and competitive employer
- Developing the strands of the 'Natural Breaks 2030' strategic review that commenced in 2024-25, by considering the digital needs of people we support, developments with AI and digital tools and the consequent workforce requirements
- Establishing our Digital Transformation, Cyber Security & Data Protection plan, encompassing transformation streams of; people we support (including digital exclusion); frontline; communications & digital infrastructure; back office and cyber security and data protection
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs, in particular, reassessing the housing needs of the people we support with the aim of future proofing housing models.
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Natural Breaks activities started in 1992 and was incorporated as a not-for-profit company limited by guarantee in 1994. In August 2016 it became a registered charity.

Recruitment and appointment of new trustees

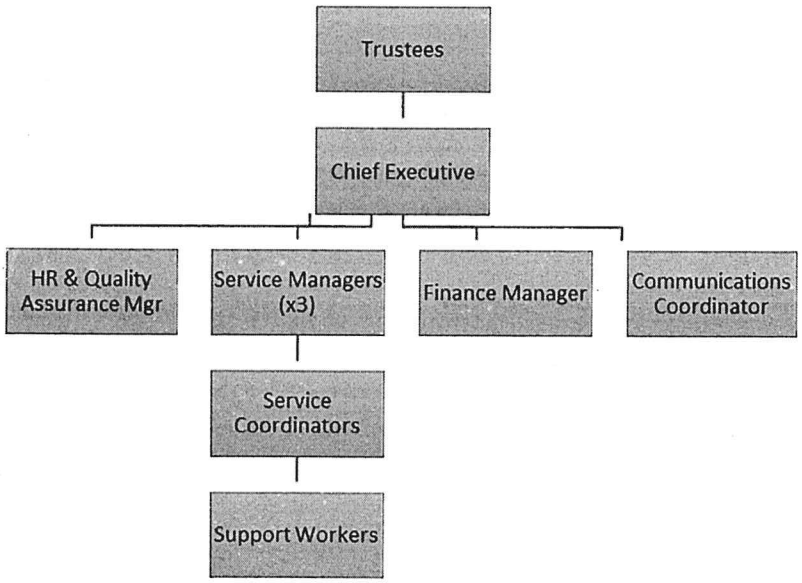
The Articles allow for up to 9 trustees (minimum 2). As at 31st March 2025, the Board had 6 trustees.

Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

Trustees are elected by the members of the charity and one third, by rotation, each year must retire and can stand for re-election. The trustees have discretion to admit into membership of the charity individuals who support the objects of Natural Breaks. Constant regard is paid to the skills mix of the trustees to ensure they all have the necessary skills to contribute fully to the charity's development.

Organisational structure

The organisation structure at 31st March 2025 was as follows:



STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The board of trustees meets bi-monthly. The board is supported by the following committees, with defined terms of reference, and which meet throughout the year:

- Governance and Safeguarding
- Finance
- Business and Marketing

Recognising the importance of digital developments and cyber security, the trustees established a new Digital & Cyber committee in 2025. It has defined terms of reference and is chaired by one of our trustees who has extensive knowledge of digital developments and cyber security particularly in adult social care.

The chief executive and senior managers attend, and provide reports to, regular meetings of the board of trustees and the committees. This enables the business of Natural Breaks, including strategy development and governance, to be undertaken collaboratively.

The chief executive manages the day to day business within defined authority delegated by the trustees. The delegated authority is reviewed annually and covers activities that can be undertaken without the trustees' specific agreement, for example:

- Size and scope of services that can be procured.
- Fundraising.
- Staff policies.
- Staff remuneration.
- Budget and expenditure.
- Procurement of assets.
- Contractual obligations and liabilities.

Induction and training of new trustees

On becoming a trustee, trustees are briefed by the chair on their responsibilities as a trustee. They are briefed by their co-trustees and chief executive on the history of Natural Breaks, financial position and operational management of the charity, current objectives and future plans. The trustees are encouraged to attend any courses which they feel are relevant to the development of their role and keep up to date on any changes in legislation. All the directors at the time Natural Breaks became a charity undertook independent training in the 'roles and responsibilities of trustees' and members of the Finance Committee undertook 'financial awareness' training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Governance Committee regularly review the strategic risk register and have identified key risks and determined their mitigation. These include:

1 **Competition from similar organisations**, with an ever-present factor being those paying higher wages and an emerging factor being use of technology. Mitigation - The trustees have agreed to pay the Real Living Wage for 2025-26 and continue to monitor the local market to ensure the charity's reward and recognition package is attractive. Developments in adult social care in the Merseyside area and all requests for new services are logged and outcomes are reported to the Business & Marketing Committee. Families and carers are surveyed regularly and their feedback acted upon.,.

2 **Cyber Security & Data Protection. Mitigation -** Our Cyber Security and Data Protection strategy was signed off by trustees in 2024 and is reviewed annually. Our detailed Cyber Security Plan, Incident Response Policy and Business Continuity Plans are currently under review. Cyber insurance has been put in force for a number of years, covers and limits are kept under review and insurers requirements for backups and patch deployments implemented. Windows 11 was implemented across the organisation in 2024 and servers and equipment were replaced. Our email system was upgraded in 2025 and multi factor authentication is scheduled for later this year. Cyber Security and Data Protection matters are reported through the Digital & Cyber Committee.

3 **Over dependency on one key supplier. Mitigation** - Opportunities to develop transition services and services in boroughs outside Liverpool are monitored. Work will continue to develop additional sources in 2025-26.

4 **Employment issues**, which we perceive could emerge across the sector through the post Covid employment market, such as; recruitment and retention, wellbeing and mental health. **Mitigation** -

- Quite unique to Natural Breaks, we have maintained our standard of not using temporary agency staff to provide direct support. A number of factors have made this possible and sustainable including effective rota management, targeted recruitment campaigns, our 'Refer a Friend' initiative and successful engagement with an employment agency to source permanent support workers and middle managers.
- Our Chief Executive hosts a quarterly CEO/Support Worker Forum enabling direct communication and an opportunity for our support workers to inform and influence operational and organisational practice.
- Employee health and well-being is a priority area for the organisation. Individual health and welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. Our Wellbeing Strategy, risks and appropriate mitigation measures was introduced in 2022 and is reviewed regularly with training including Mental Health Awareness and Mental Health Champions taking place.
- Our 'Back to Basics' programme for all staff, managers and trustees introduced in June 2024 reinforced roles and responsibilities, policies and procedures and good practices.

5 **Dependency on income from local authorities. Mitigation** - The trustees are aware of comments made by local authorities about their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored. Our Chief Executive, as a member of VODG and through other forums, has the opportunity to engage with the commissioners and represent Natural Breaks and SME's in relation to fairer funding and terms and conditions.

6 **Compliance with legislation and regulations** specifically ensuring highest quality care and support. Mitigation -

- Two of our senior managers hold CQC Registered Manager status and chair the Liverpool Registered Manager forum.
- All regulated services are subject to health checks, an internal audit was conducted in 2023-24 and any actions arising completed and reported through the Governance & Safeguarding Committee.
- Our Chief Executive and Senior Management team engage with local, regional and national forums and conferences to keep abreast of compliance, legislative and regulatory developments.

7 **Compliance with legislation and regulations** specifically arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. **Mitigation** - A specialist fire risk assessment provider has been engaged and a bi-annual survey programme is in operation, with assessments and actions being reported to the trustees through the Governance & Safeguarding Committee

8 **Staff turnover**, our workforce is increasing in size and the overall profile is changing. **Mitigation** - Recruitment standards have not been diluted, our Welcome Day, Induction procedures and training have been adapted. All staff received 'Back to Basics' training.

9 **Demographics of the people we support**, an aging population and a tendency in older people to develop multi-health issues requiring additional and specific support. **Mitigation** - the management team regularly review care plans and take a pro-active approach to agreeing changes to support arrangements with Adult Social Services. Mindful of the need to consider our social care provision to both existing and new people in the future, the trustees with our Chief Executive and all managers, are developing our 'Natural Breaks 2030' strategy.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02996621 (England and Wales)

Registered Charity number
1168733

Registered office
Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees
K C Lloyd
I P Meyer (resigned 25.4.24)
Mrs J D Erskine
R Itiokiet
D G O'Shaughnessy
P H Weston
G Flanagan (retired by rotation 8.12.25)

Company Secretary
Mrs K Burke

Auditors
SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Natural Breaks Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 8/12/2025 and signed on its behalf by:

K C Lloyd - Trustee

Opinion

We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (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 March 2025 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 Companies Act 2006.

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 UK, including the FRC'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.

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 Report of the Independent Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).
In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

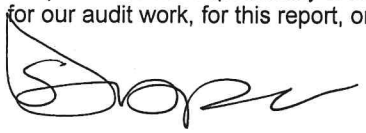
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006
  - Charities Act 2008 (accounts and reports regulations)
  - Charities Act 2011
  - Charities Sorp (FRS 102) 2019
  - UK corporate tax laws
  - UK employment laws
  - UK health and safety regulations
  - Care Quality Commission
  - Health and Social Care Act 2008
  - Health and Care Act 2022

- We assessed the susceptibility of the Company's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Draper FCCA ACA (Senior Statutory Auditor)
for and on behalf of SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 10/12/2025

Natural Breaks Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	**31.3.25 Total funds £**	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**17,099**	**463**	**17,562**	17,943
Charitable activities	5				
Supported Living		**4,275,793**	**7,443**	**4,283,236**	3,945,475
Other trading activities	3	**663**	**-**	**663**	852
Investment income	4	**12,887**	**-**	**12,887**	9,812
Total		**4,306,442**	**7,906**	**4,314,348**	3,974,082
EXPENDITURE ON					
Charitable activities	6				
Supported Living		**4,278,950**	**16,731**	**4,295,681**	3,785,957
NET INCOME/(EXPENDITURE)		**27,492**	**(8,825)**	**18,667**	188,125
Transfers between funds	15	**(4,164)**	**4,164**	**-**	-
Net movement in funds		**23,328**	**(4,661)**	**18,667**	188,125
RECONCILIATION OF FUNDS					
Total funds brought forward		**904,991**	**18,906**	**923,897**	735,772
TOTAL FUNDS CARRIED FORWARD		**928,319**	**14,245**	**942,564**	923,897

The notes form part of these financial statements

Natural Breaks Limited

Statement of Financial Position
31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	**31.3.25 Total funds £**	31.3.24 Total funds £
FIXED ASSETS					
Tangible assets	11	**27,359**	**7,078**	**34,437**	25,724
CURRENT ASSETS					
Debtors	12	**398,018**	**-**	**398,018**	404,988
Cash at bank and in hand		**841,573**	**7,167**	**848,740**	730,088
		1,239,591	**7,167**	**1,246,758**	1,135,076
CREDITORS					
Amounts falling due within one year	13	**(338,631)**	**-**	**(338,631)**	(236,903)
NET CURRENT ASSETS		**900,960**	**7,167**	**908,127**	898,173
TOTAL ASSETS LESS CURRENT LIABILITIES		**928,319**	**14,245**	**942,564**	923,897
NET ASSETS		**928,319**	**14,245**	**942,564**	923,897
FUNDS	15				
Unrestricted funds				**928,319**	904,991
Restricted funds				**14,245**	18,906
TOTAL FUNDS				**942,564**	923,897

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21/12/2025 and were signed on its behalf by:

.....
K C Lloyd - Trustee

The notes form part of these financial statements

Natural Breaks Limited

Statement of Cash Flows
for the Year Ended 31 March 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	**122,391**	114,681
Net cash provided by operating activities		**122,391**	114,681
Cash flows from investing activities			
Purchase of tangible fixed assets		**(16,626)**	(5,856)
Interest received		**12,887**	9,812
Net cash (used in)/provided by investing activities		**(3,739)**	3,956
Change in cash and cash equivalents in the reporting period		**118,652**	118,637
Cash and cash equivalents at the beginning of the reporting period		**730,088**	611,451
Cash and cash equivalents at the end of the reporting period		**848,740**	730,088

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.25	31.3.24
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	**18,667**	188,125
Adjustments for:		
Depreciation charges	**6,211**	5,192
Loss on disposal of fixed assets	**1,702**	673
Interest received	**(12,887)**	(9,812)
Decrease/(increase) in debtors	**6,970**	(79,435)
Increase in creditors	**101,728**	9,938
Net cash provided by operations	**122,391**	114,681

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24	Cash flow	At 31.3.25
	£	£	£
Net cash			
Cash at bank and in hand	**730,088**	**118,652**	**848,740**
	730,088	**118,652**	**848,740**
Total	**730,088**	**118,652**	**848,740**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis of the allocation of premises overheads and other overheads is shown in note 5.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits
When employees have rendered service to the company, short-term employee benefits to which the employees are entitles are recognised at the undiscounted amount expected to be paid in exchange for that service.

continued...

2. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Contributions to Activities	12,040	12,181
Gifts and donations	5,522	5,762
	17,562	17,943

3. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Fundraising events	663	852

4. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Interest receivable	12,887	9,812

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.25	31.3.24
		£	£
Supported living services	Supported Living	3,862,283	3,551,145
Social Learning Outreach Income	Supported Living	420,953	394,330
		4,283,236	3,945,475

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Supported Living	3,519,994	775,687	4,295,681

7. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Supported Living	539,186	160,974	66,617	8,910	775,687

continued...

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.25	31.3.24
	£	£
Auditors' remuneration	**7,795**	7,560
Depreciation - owned assets	**6,211**	5,192
Deficit on disposal of fixed assets	**1,702**	673

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

10. STAFF COSTS

	31.3.25	31.3.24
	£	£
Wages and salaries	**3,529,013**	3,122,436
Social security costs	**325,366**	292,476
Other pension costs	**92,435**	80,775
	3,946,814	3,495,687

The average monthly number of employees during the year was as follows:

	31.3.25	31.3.24
Charitable activity staff	**130**	120

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

	31.3.25	31.3.24
£60,001 - £70,000	**1**	-

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2024	**75,789**	**89,191**	**164,980**
Additions	**-**	**16,626**	**16,626**
Disposals	**-**	**(12,989)**	**(12,989)**
At 31 March 2025	**75,789**	**92,828**	**168,617**
DEPRECIATION			
At 1 April 2024	**75,789**	**63,467**	**139,256**
Charge for year	**-**	**6,211**	**6,211**
Eliminated on disposal	**-**	**(11,287)**	**(11,287)**
At 31 March 2025	**75,789**	**58,391**	**134,180**
NET BOOK VALUE			
At 31 March 2025	**-**	**34,437**	**34,437**
At 31 March 2024	-	25,724	25,724

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade debtors	**347,290**	349,144
Other debtors	**17,285**	33,922
Prepayments	**33,443**	21,922
	398,018	404,988

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Pensions	**15,129**	12,671
Other creditors	**197,211**	139,363
Accruals and deferred income	**126,291**	84,869
	338,631	236,903

continued...

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.25	31.3.24
	£	£
Within one year	58,304	55,640
Between one and five years	116,854	166,920
	175,158	222,560

15. MOVEMENT IN FUNDS

	At 1.4.24	Net movement in funds	Transfers between funds	At 31.3.25
	£	£	£	£
Unrestricted funds				
General fund	904,991	27,492	(4,164)	928,319
Restricted funds				
Caravan Fund	11,510	(8,596)	4,164	7,078
Take A Break Project	7,396	(229)	-	7,167
	18,906	(8,825)	4,164	14,245
TOTAL FUNDS	923,897	18,667	-	942,564

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	4,306,442	(4,278,950)	27,492
Restricted funds			
Caravan Fund	3,906	(12,502)	(8,596)
Take A Break Project	4,000	(4,229)	(229)
	7,906	(16,731)	(8,825)
TOTAL FUNDS	4,314,348	(4,295,681)	18,667

continued...

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	714,751	196,286	(6,046)	904,991
Restricted funds				
Caravan Fund	11,509	(6,045)	6,046	11,510
Take A Break Project	9,512	(2,116)	-	7,396
	21,021	(8,161)	6,046	18,906
TOTAL FUNDS	735,772	188,125	-	923,897

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,970,021	(3,773,735)	196,286
Restricted funds			
Caravan Fund	1,670	(7,715)	(6,045)
Take A Break Project	2,391	(4,507)	(2,116)
	4,061	(12,222)	(8,161)
TOTAL FUNDS	3,974,082	(3,785,957)	188,125

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

17. UNRESTRICTED FUNDS

General fund - This fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

continued...

18. RESTRICTED FUNDS

Caravan Fund
The fund was set up following consultation with beneficiaries of the charity and their families. The provision of accessible holidays and short breaks were identified as a valuable service that would benefit many.

Receipt of a restricted donation, together with general fundraising gave the charity the opportunity to purchase a 6 berth fully accessible caravan at Lyons Holiday Parks in Toywn, North Wales. It has been a hugely successful acquisition, giving well deserved opportunity and benefit to those we support.

The balance of the fund represents the NBV of the caravan included in fixed assets.

Workforce Capacity
Grant received to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity.

Take a Break Project
To subsidize the cost of holidays, day trips and other centre activities to enable service users to attend without the additional cost.

19. TRANSFERS

An amount of £6,046 has been transferred from General fund to Caravan fund as a contribution which represents expenses paid towards caravan costs incurred during the year.

NATURAL BREAKS LIMITED

England & Wales - Charity number 1168733

Accounts

REGISTERED COMPANY NUMBER: 02996621 (England and Wales)
REGISTERED CHARITY NUMBER: 1168733

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2024

for

Natural Breaks Limited

SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Natural Breaks Limited

Contents of the Financial Statements
for the Year Ended 31 March 2024

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 21

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve the needs of adults and children with disabilities and their carers residing in the North West of England by:

- Providing help, support and guidance.
- Promoting health and well being through supporting individuals to lead full and active lives.
- Providing supported holidays.
- Providing opportunities for respite.

Mission

We believe living an ordinary life can be extraordinary. Our mission is to work with people with disabilities, their families, commissioners and our strategic partners

- to develop and deliver excellent personalised services,
- providing the highest standards of support and care,
- and best value for money

so that people with disabilities and complex needs and their families can live more fulfilling and inclusive lives.

Values

Our mission is underpinned through 'The Natural Breaks Way'; our values being:

- Person Centeredness
  The people we support are at the heart of everything we do. We believe in empowering people to develop the skills and confidence to fulfil their aspirations and dreams.
- Respect
  We believe in paying due regard and consideration for the feelings, abilities and rights of others. Natural Breaks is a place where everyone feels valued and contributes to making a difference.
- Kind
  We believe in the importance of being caring and considerate in providing support that empowers people to live their best life.
- Commitment
  We are dedicated to working together to deliver an exceptional service where people are encouraged to achieve their goals and aspirations.
- Inclusive
  We believe every individual has the right to live as a valued member of their community, creating a sense of belonging and ability to positively contribute to that community.
- Creative
  We are imaginative and resourceful in finding solutions which meet individual needs and aspirations, as well as those of the organisation.

Our key business objectives for 2023-2024 were as follows:

- To continually assess the needs and priorities of people we support, workforce availability and technological solutions to deliver services in a safe and secure way
- To provide value for money to the people and organisations who commission our services.
- To maintain our position as a preferred supplier with Liverpool Adult Social Services and all local authorities in the areas where we operate as an approved provider on the Liverpool City Region Framework
- To deliver the Financial Sustainability Plan to increase income generation and to tightly manage expenditure
- To develop a pathway to prepare to achieve CQC Outstanding status
- To deliver our Workforce Development Strategy and implement changes to our pay and benefits, terms and conditions, health and wellbeing support
- To rollout our digital care and support system on a phased basis and review digital rota management solutions
- To continually review how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs
- To develop innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services

OBJECTIVES AND ACTIVITIES

Significant activities

Supported Living - we support 25 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.

Social and Learning - we work with 36 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

'The Breakers' caravan - our accessible caravan in North Wales. In total 11 people we support and other people with disabilities, plus their families or carers used the caravan, some more than once.

Newquay Holiday - this is an annual event that takes place in August. In 2023, 11 people we support went with 3 staff. The trustees are extremely grateful to Liverpool Lions for their financial contribution to costs and Newquay Lions who host the trip and provide a range of activities for the people we support to enjoy.

We delivered a number of events in 2023-24. The events held were designed to appeal to different tastes and interests of as many people we support as possible. Where possible the events were opened up to people with needs who are not supported by Natural Breaks and in some cases, the local community. We were able to utilise some of the funds raised through 'Take a Break with Natural Breaks' fundraising to make these events accessible to more people. Highlights included:

- Excursions to Llandudno, Blackpool Illuminations, Manchester Christmas market, Cadbury's World, Chester Zoo and ITV's Emmerdale set
- Warm Hub days during the winter where people we support could pop in for lunch and watch an afternoon film
- Celebrating landmark birthdays for people we support and long service awards for staff
- Holding an afternoon tea to celebrate the Coronation of King Charles III
- Christmas Party, Christmas jumper day and trip to see a Christmas Panto

A copy of the 2023-24 Impact Report is available on our website https://www.naturalbreaks.co.uk/

Public benefit

In setting our objectives and planning our activities the trustees have considered the Charity Commission's general guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 March 2024 our key achievements were as follows:

- Continuing to provide quality services to the people we support and their families and carers, despite the well documented challenges the sector faces. The Care Quality Commission's approach to inspections of providers' services has changed but our rating remains GOOD. In their July 2023 'off-site' dynamic monitoring review the inspectors stated 'we have not found evidence that we need to carry out an inspection or reassess our rating'. The last full inspection in May 2019 focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas. The inspector commented:
  'People were positive about the care and support they received from Natural Breaks'
  `Staff were caring and always promoted people's dignity and independence'
  `People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
  'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
  Risks which compromised people's health and well-being were appropriately assessed, and contained a high level of detailed information'

The Trustees were particularly pleased when, in recognition of their expertise and experience, two of our senior managers were asked to take up joint running of the Liverpool Registered Managers forum in March 2024.

- Maintaining preferred supplier status with Liverpool Adult Social Services. Liverpool City Council Contracts and Commissioning meetings with providers have now resumed and cover; safeguarding, quality assurance, use of voids and topical matters. No issues were raised in respect of Natural Breaks, and only positive verbal feedback was received about the Charity's excellent reputation, and its strong engagement with Commissioners, who stated ' We only hear good things about Natural Breaks'.
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Delivering our financial sustainability plan, which enabled us to increase income and manage our costs whilst keeping our 2023-24 pay rates above Real Living Wage levels.
- Using the Positive Behavioural Support skills and knowledge[1] in our senior management team to ensure a further successful transition of two young people with multiple complex needs from child to adult social care. Achievements that have led to us being approached to deliver similar services in 2024.
- Developing ideas around 'a life not a service', for example, facilitating volunteering opportunities in local communities, people we support co-editing our newsletter and determining the annual events programme.
- Ensuring that the people we support, through their Have Your Say group, design the events programme and are able to voice their views on all support matters directly to senior management. Recent quotes from the HYS group are:
  - 'Natural Breaks have boss staff that encourage you to do the things you want'
  - 'My Dad always told me he was glad I joined Natural Breaks, since being here I can budget my own money' and;
  - 'Before Natural Breaks I was supported somewhere else where I always had to be in by a certain time'.
- Delivering our Workforce Development Strategy; pulling together initiatives around pay, benefits, conditions, training & development, health and wellbeing ensuring we remain an attractive and competitive employer. In our latest staff survey (June 2024) employees were asked what they love about working at Natural Breaks;
  - 'Meeting People - able to learn new skills, build relationships with others and enhance the lives of people we support to live a good, quality life'
  - Making a difference - helping people live their life to the full, making an individual smile, supporting an individual to achieve their goals, encouraging an individual's confidence and helping an individual overcome a challenge'
  - 'Team - working alongside respectful, understanding teams and having approachable friendly managers. Feeling part of a family'
  - Flexibility - having the ability to work and to fit in everyday or personal tasks such as going to the doctor or attending appointments'
- Commencing roll-out of our integrated care support and rota management system enabling us to transform our care plans and support arrangements from paper to digital. The system was in operation at 25% of Supported Living services by the end of year 1.

[1] One of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Trustees decided to aim for modest fundraising levels in 2023-24 and to continue all fundraising without recourse to an internal fundraiser or external support.

The charity successfully raised funds around the theme 'Take a Break with Natural Breaks'. This fund is designed to provide assistance for people with disabilities to be able to access subsidised trips, events etc. Our Chief Executive led on bids and other funds were raised through our staff and trustees, their families and friends, and families and friends of people we support.

We raised £6,614 mainly through the following:

- a successful bid for £1,500 from the Liverpool Community and Voluntary Service Community Impact Fund
- a donation from an employee of Scott Bader, related to a person we support, using their allocation of the Scott Bader Employees charity support scheme
- a member of our staff arranging a Halloween event in collaboration with The Yacht Club, Liverpool
- other donations from individuals connected with our staff, trustees and friends and families of people we support
- the easyfundraising scheme when our supporters use this facility for their on-line shopping

Our website, fully launched in 2018, has excellent, secure fundraising functionality and is the prime method for receiving donations.

Natural Breaks has registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We do not use professional fundraisers or commercial participators. All events are managed by a nominated employee and all funds raised are managed by our Finance Manager. The very nature of our charity brings us into contact with vulnerable people and we have robust safeguarding and professional boundaries policies. We have had no complaints about fundraising by our charity.

Internal and external factors

The trustees are delighted with the performance of our Chief Executive, Diane Hesketh. Diane is an ideal fit for Natural Breaks; she always brings great enthusiasm to the role, her leadership has transformed the senior management team, motivated and developed our workforce, raised the profile and importance of Natural Breaks with commissioners. Diane has a real rapport with the people we support and their families.

During the last year three new trustees joined the charity enhancing the Board's overall skill set, knowledge and expertise. One existing trustee, Ian Meyer, subsequently resigned in April 2024 and the Board are grateful for the time, effort and experience he brought whilst with Natural Breaks.

FINANCIAL REVIEW

Financial position

The actions in our Financial Sustainability Plan, first introduced by the trustees in 2018-19, continued through 2023-24. Our income grew by 18.0%, reflecting significant improvements in rates paid by commissioners and increased delivery. Through careful management of resources (e.g. yet again we delivered our services without recourse to agency staffing) and tight control of costs, we were able to continue to pay above Real Living Wage levels from April 2023 but keep our expenditure increase to 12.5%. Overall, the organisation recorded a surplus of 4.7% which was better than forecast in the plan.

The trustees have agreed a further financial sustainability plan for 2024-25 with a number of actions identified, initiatives to increase overall income and measures to tightly control costs.

Included within the charity balance sheet at the year-end is an amount of £79,812 being deposits held on behalf of beneficiaries of the charity (the 'Designated Custodian Fund'), the amount is duly represented by an equal creditor of £79,812.

Principal funding sources

Our principal funding in 2023-24 came from commissioners in the local authorities of Liverpool and Sefton with some via NHS Continuing Health Care. Other funding came from direct payments by people we support, their families and carers.

There were restricted grants and funds received in 2023-24 amounting to £4,061 in respect of the 'Take a Break with Natural Breaks' fund and funding for the caravan.

Investment policy and objectives

Funds that are surplus to requirements in the short term are kept in fixed term and notice-based interest-bearing accounts in accordance with the charity's Investments Strategy. Natural Breaks does not have any other investments.

FINANCIAL REVIEW

Reserves policy

Natural Breaks is determined to keep a level of reserves commensurate with balancing the need to release funds with the need to retain sufficient funds for an orderly, compliant closure and redundancy costs. The calculation of average monthly operating costs includes all recurring predictable expenses such as redundancy for office-based staff, salaries, tax/NI and rent. Best- and worst-case breakdowns are held with the organisation's Reserve Policy.

The level of reserves at 31 March 2024 increased to £923,897. The trustees acknowledge that this is higher than that required by the best- and worst-case costs in the Reserves Policy but they believe that it is appropriate in view of the general economic uncertainty in the sector, pressures on income and increasing staff costs. The Reserves Policy is kept under regular review.

FUTURE PLANS

The trustees recognise the immediate short/medium term challenges Natural Breaks face delivering social care; with the need to balance the pressures on income, with the expectations of people we support and their families and carers, with the need to excel in regulatory requirements and meet the needs to reward and develop our workforce. Looking to the longer term, the trustees foresee that there will be significant changes to social care provision and, with our Chief Executive and all managers, are developing our 'Natural Breaks 2030' strategy.

Our plans for 2024-25 build on the financial sustainability and the workforce development actions introduced in previous years that have placed the organisation in ideal shape to expand the range of services and activities we can provide. Our plans include:

- Ensuring we continue delivering services in a safe and secure way by assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance guidance
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Implementing a pathway to achieve CQC Outstanding status
- Delivering our Workforce Development plan, implementing changes to our pay and benefits, terms and conditions, health and wellbeing support to ensure we remain an attractive and competitive employer
- Designing and delivering a 'Back to Basics' programme for all staff, managers and trustees that will reinforce the values and behaviours of Natural Breaks
- Developing our Cyber Resilience strategy
- Continuing rollout of our digital care and support plan across our services, introduction of a digital rota management system along with investigating integration with our 'back office' systems
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs, in particular, reassessing the housing needs of the people we support with the aim of future proofing housing models
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Natural Breaks activities started in 1992 and was incorporated as a not-for-profit company limited by guarantee in 1994. In August 2016 it became a registered charity.

Recruitment and appointment of new trustees

The Articles allow for up to 9 trustees (minimum 2). As at 31st March 2024, the Board had 6 trustees following the recruitment of three trustees during 2023-24.

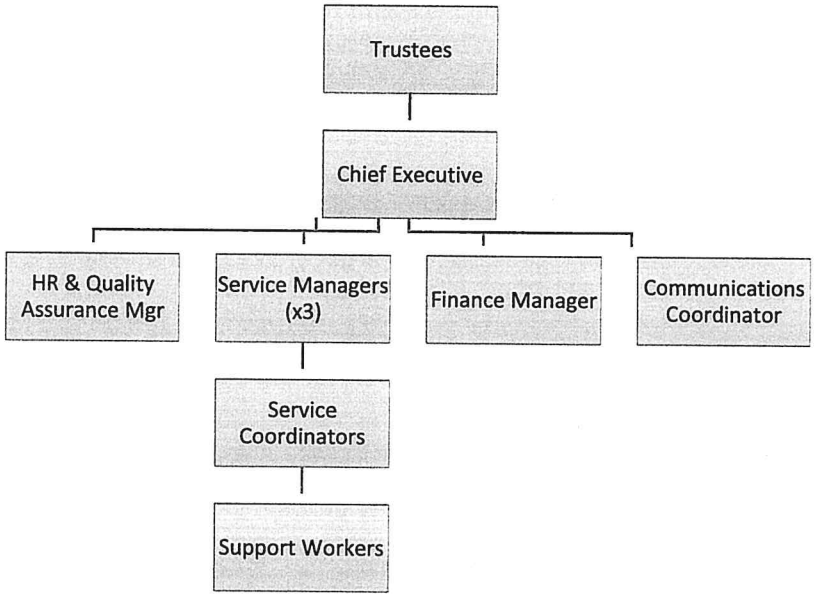
Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

Trustees are elected by the members of the charity and one third, by rotation, each year must retire and can stand for re-election. The trustees have discretion to admit into membership of the charity individuals who support the objects of Natural Breaks. Constant regard is paid to the skills mix of the trustees to ensure they all have the necessary skills to contribute fully to the charity's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisation structure at 31st March 2024 was as follows:



Decision making

The board of trustees meets bi-monthly. The board is supported by the following committees, with defined terms of reference, and which meet throughout the year:

- Governance and Safeguarding
- Finance
- Business and Marketing

The chief executive and senior managers attend, and provide reports to, regular meetings of the board of trustees and the committees. This enables the business of Natural Breaks, including strategy development and governance, to be undertaken collaboratively.

The chief executive manages the day to day business within defined authority delegated by the trustees. The delegated authority is reviewed annually and covers activities that can be undertaken without the trustees' specific agreement, for example:

- Size and scope of services that can be procured.
- Fundraising.
- Staff policies.
- Staff remuneration.
- Budget and expenditure.
- Procurement of assets.
- Contractual obligations and liabilities.

Induction and training of new trustees

On becoming a trustee, trustees are briefed by the chair on their responsibilities as a trustee. They are briefed by their co-trustees and chief executive on the history of Natural Breaks, financial position and operational management of the charity, current objectives and future plans. The trustees are encouraged to attend any courses which they feel are relevant to the development of their role and keep up to date on any changes in legislation. All the directors at the time Natural Breaks became a charity undertook independent training in the 'roles and responsibilities of trustees' and members of the Finance Committee undertook 'financial awareness' training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Governance Committee regularly review the strategic risk register and have identified key risks and determined their mitigation. These include:

1 **Competition from similar organisations**, with an ever-present factor being those paying higher wages and an emerging factor being use of technology. **Mitigation** - The trustees have agreed to pay the Real Living Wage for 2024-25 and continue to monitor the local market to ensure the charity's reward and recognition package is attractive. Developments in adult social care in the Merseyside area and all requests for new services are logged and outcomes are reported to the Business & Marketing Committee. Families and carers are surveyed regularly and their feedback acted upon..

2 **Information Technology**, particularly digitisation of the sector and cyber security. **Mitigation** - To transform our care plans and support arrangements from paper to digital, we procured an integrated care support and rota management system in 2022. This is being rolled out across all our services. Mindful of the change in risk profile in moving from an essentially paper-based operation, our cyber security strategy and business continuity plans are being reviewed and the Data Protection & Security Toolkit assessment is being updated.

3 **Over dependency on one key supplier. Mitigation** - Opportunities to develop transition services and services in boroughs outside Liverpool are monitored. Work will continue to develop additional sources in 2024-25.

4 **Employment issues**, which we perceive could emerge across the sector through the post Covid employment market, such as; recruitment and retention, wellbeing and mental health. **Mitigation** -

- Quite unique to Natural Breaks, we have maintained our standard of not using temporary agency staff to provide direct support. A number of factors have made this possible and sustainable including effective rota management, targeted recruitment campaigns, our 'Refer a Friend' initiative and successful engagement with an employment agency to source permanent support workers and middle managers.
- Our Chief Executive hosts a quarterly CEO/Support Worker Forum enabling direct communication and an opportunity for our support workers to inform and influence operational and organisational practice.
- Employee health and well-being is a priority area for the organisation. Individual health and welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. Our Wellbeing Strategy, risks and appropriate mitigation measures was introduced in 2022 and is reviewed regularly with training including Mental Health Awareness and Mental Health Champions taking place.
- Our 'Back to Basics' programme for all staff, managers and trustees introduced in June 2024 reinforced roles and responsibilities, policies and procedures and good practices.

5 **Dependency on income from local authorities. Mitigation** - The trustees are aware of comments made by local authorities about their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored. Our Chief Executive, as a member of VODG and through other forums, has the opportunity to engage with the commissioners and represent Natural Breaks and SME's in relation to fairer funding and terms and conditions.

6 **Compliance with legislation and regulations** specifically ensuring highest quality care and support. Mitigation -

- Two of our senior managers hold CQC Registered Manager status and chair the Liverpool Registered Manager forum.
- All regulated services are subject to health checks, an internal audit was conducted in 2023-24 and any actions arising completed and reported through the Governance & Safeguarding Committee.
- Our Chief Executive and Senior Management team engage with local, regional and national forums and conferences to keep abreast of compliance, legislative and regulatory developments.
- Our Chief Executive is a member of Liverpool Adult Safeguarding Board (LSAB) representing Supported Living and Community Support service.

7 **Compliance with legislation and regulations** specifically arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. **Mitigation** - A specialist fire risk assessment provider has been engaged and a bi-annual survey programme is in operation, with assessments and actions being reported to the trustees through the Governance & Safeguarding Committee

8 **Staff turnover**, our workforce is increasing in size and the overall profile is changing. **Mitigation** - Recruitment standards have not been diluted, our Welcome Day, Induction procedures and training have been adapted. All staff received 'Back to Basics' training.

9 **Demographics of the people we support**, an aging population and a tendency in older people to develop multi-health issues requiring additional and specific support. **Mitigation** - the management team regularly review care plans and take a pro-active approach to agreeing changes to support arrangements with Adult Social Services. Mindful of the need to consider our social care provision to both existing and new people in the future, the trustees with our Chief Executive and all managers, are developing our 'Natural Breaks 2030' strategy.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02996621 (England and Wales)

Registered Charity number
1168733

Registered office
Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees
K C Lloyd
I P Meyer (resigned 25.4.24)
Mrs J Erskine
R Itiokiet
D G O'Shaughnessy (appointed 19.6.23)
P H Weston (appointed 19.6.23)
G Flanagan (appointed 15.8.23)

Company Secretary
Mrs K Burke

Auditors
SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Natural Breaks Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 9/12/2024 and signed on its behalf by:

.....
K C Lloyd - Trustee

Opinion

We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (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 March 2024 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 Companies Act 2006.

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 UK, including the FRC'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.

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 Report of the Independent Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006
  - UK corporate tax laws
  - UK employment laws
  - UK health and safety regulations
  - Care Quality Commission
  - Health and Social Care Act 2008
  - Health and Care Act 2022

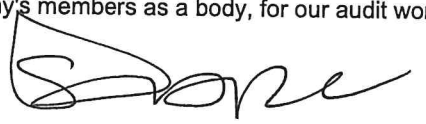
- We assessed the susceptibility of the Company's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  -

assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Draper FCCA ACA (Senior Statutory Auditor)
for and on behalf of SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 9/12/24

Natural Breaks Limited

Statement of Financial Activities
for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**16,109**	**1,834**	**17,943**	27,015
Charitable activities	5				
Supported Living		**3,943,805**	**1,670**	**3,945,475**	3,337,323
Other trading activities	3	**295**	**557**	**852**	675
Investment income	4	**9,812**	**-**	**9,812**	2,983
Total		**3,970,021**	**4,061**	**3,974,082**	3,367,996
EXPENDITURE ON					
Charitable activities	6				
Supported Living		**3,773,735**	**12,222**	**3,785,957**	3,365,381
NET INCOME/(EXPENDITURE)		**196,286**	**(8,161)**	**188,125**	2,615
Transfers between funds	15	**(6,046)**	**6,046**	**-**	-
Net movement in funds		**190,240**	**(2,115)**	**188,125**	2,615
RECONCILIATION OF FUNDS					
Total funds brought forward		**714,751**	**21,021**	**735,772**	733,157
TOTAL FUNDS CARRIED FORWARD		**904,991**	**18,906**	**923,897**	735,772

The notes form part of these financial statements

Natural Breaks Limited

Statement of Financial Position
31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	11	**14,664**	**11,060**	**25,724**	25,733
CURRENT ASSETS					
Debtors	12	**404,538**	**450**	**404,988**	325,553
Cash at bank and in hand		**722,692**	**7,396**	**730,088**	611,451
		1,127,230	**7,846**	**1,135,076**	937,004
CREDITORS					
Amounts falling due within one year	13	**(236,903)**	**-**	**(236,903)**	(226,965)
NET CURRENT ASSETS		**890,327**	**7,846**	**898,173**	710,039
TOTAL ASSETS LESS CURRENT LIABILITIES		**904,991**	**18,906**	**923,897**	735,772
NET ASSETS		**904,991**	**18,906**	**923,897**	735,772
FUNDS	15				
Unrestricted funds				**904,991**	714,751
Restricted funds				**18,906**	21,021
TOTAL FUNDS				**923,897**	735,772

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

The financial statements were approved by the Board of Trustees and authorised for issue on 9/12/2024 and were signed on its behalf by:

.....
K C Lloyd - Trustee

The notes form part of these financial statements

Natural Breaks Limited

Statement of Cash Flows
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	**114,681**	(12,660)
Net cash provided by/(used in) operating activities		**114,681**	(12,660)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(5,856)**	(2,596)
Interest received		**9,812**	2,983
Net cash provided by investing activities		**3,956**	387
Change in cash and cash equivalents in the reporting period		**118,637**	(12,273)
Cash and cash equivalents at the beginning of the reporting period		**611,451**	623,724
Cash and cash equivalents at the end of the reporting period		**730,088**	611,451

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24 £	31.3.23 £
Net income for the reporting period (as per the Statement of Financial Activities)	**188,125**	2,615
Adjustments for:		
Depreciation charges	**5,192**	5,955
Loss on disposal of fixed assets	**673**	-
Interest received	**(9,812)**	(2,983)
Increase in debtors	**(79,435)**	(2,772)
Increase/(decrease) in creditors	**9,938**	(15,475)
Net cash provided by/(used in) operations	**114,681**	(12,660)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	**611,451**	**118,637**	**730,088**
	611,451	**118,637**	**730,088**
Total	**611,451**	**118,637**	**730,088**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis of the allocation of premises overheads and other overheads is shown in note 5.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits
When employees have rendered service to the company, short-term employee benefits to which the employees are entitles are recognised at the undiscounted amount expected to be paid in exchange for that service.

continued...

2. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Contributions to Activities	12,181	11,738
Gifts and donations	5,762	9,974
Grants	-	5,303
	17,943	27,015

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
Job Retention Scheme Grant	-	5,303

3. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Fundraising events	852	675

4. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Interest receivable	9,812	2,983

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.24	31.3.23
		£	£
Supported living services	Supported Living	3,551,145	2,972,288
Social Learning Outreach Income	Supported Living	394,330	365,035
		3,945,475	3,337,323

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Supported Living	3,103,892	682,065	3,785,957

continued...

7. SUPPORT COSTS

	Human resources £	Office costs £	Premises costs £
Supported Living	**466,388**	**136,115**	**70,729**

	Other 3 £	Governance costs £	Totals £
Supported Living	**673**	**8,160**	**682,065**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.24 £	31.3.23 £
Auditors' remuneration	**7,560**	5,799
Depreciation - owned assets	**5,192**	5,955
Deficit on disposal of fixed assets	**673**	-

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

10. STAFF COSTS

	31.3.24 £	31.3.23 £
Wages and salaries	**3,122,437**	2,741,049
Social security costs	**292,476**	264,352
Other pension costs	**80,775**	71,007
	3,495,688	3,076,408

The average monthly number of employees during the year was as follows:

	31.3.24	31.3.23
Charitable activity staff	**120**	108

No employees received emoluments in excess of £60,000.

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2023	**75,789**	**96,967**	**172,756**
Additions	**-**	**5,856**	**5,856**
Disposals	**-**	**(13,632)**	**(13,632)**
At 31 March 2024	**75,789**	**89,191**	**164,980**
DEPRECIATION			
At 1 April 2023	**75,789**	**71,234**	**147,023**
Charge for year	**-**	**5,192**	**5,192**
Eliminated on disposal	**-**	**(12,959)**	**(12,959)**
At 31 March 2024	**75,789**	**63,467**	**139,256**
NET BOOK VALUE			
At 31 March 2024	**-**	**25,724**	**25,724**
At 31 March 2023	-	25,733	25,733

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	**349,144**	297,698
Other debtors	**33,922**	9,088
Prepayments	**21,922**	18,767
	404,988	325,553

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Pensions	**12,671**	12,671
Other creditors	**139,363**	119,105
Accruals and deferred income	**84,869**	95,189
	236,903	226,965

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.24 £	31.3.23 £
Within one year	**55,640**	54,768
Between one and five years	**166,920**	54,768
	222,560	109,536

continued...

15. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	**714,751**	**196,286**	**(6,046)**	**904,991**
Restricted funds				
Caravan Fund	**11,509**	**(6,045)**	**6,046**	**11,510**
Take A Break Project	**9,512**	**(2,116)**	**-**	**7,396**
	21,021	**(8,161)**	**6,046**	**18,906**
TOTAL FUNDS	**735,772**	**188,125**	**-**	**923,897**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**3,970,021**	**(3,773,735)**	**196,286**
Restricted funds			
Caravan Fund	**1,670**	**(7,715)**	**(6,045)**
Take A Break Project	**2,391**	**(4,507)**	**(2,116)**
	4,061	**(12,222)**	**(8,161)**
TOTAL FUNDS	**3,974,082**	**(3,785,957)**	**188,125**

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	675,539	7,117	32,095	714,751
Restricted funds				
Caravan Fund	16,357	(9,868)	5,020	11,509
Workforce Retention Fund	36,275	840	(37,115)	-
Take A Break Project	4,986	4,526	-	9,512
	57,618	(4,502)	(32,095)	21,021
TOTAL FUNDS	733,157	2,615	-	735,772

continued...

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,356,295	(3,349,178)	7,117
Restricted funds			
Caravan Fund	1,621	(11,489)	(9,868)
Workforce Retention Fund	840	-	840
Take A Break Project	9,240	(4,714)	4,526
	11,701	(16,203)	(4,502)
TOTAL FUNDS	3,367,996	(3,365,381)	2,615

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

17. UNRESTRICTED FUNDS

General fund - This fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

18. RESTRICTED FUNDS

Caravan Fund
The fund was set up following consultation with beneficiaries of the charity and their families. The provision of accessible holidays and short breaks were identified as a valuable service that would benefit many.

Receipt of a restricted donation, together with general fundraising gave the charity the opportunity to purchase a 6 berth fully accessible caravan at Lyons Holiday Parks in Toywn, North Wales. It has been a hugely successful acquisition, giving well deserved opportunity and benefit to those we support.

The balance of the fund represents the NBV of the caravan included in fixed assets.

Workforce Capacity
Grant received to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity.

Take a Break Project
To subsidize the cost of holidays, day trips and other centre activities to enable service users to attend without the additional cost.

19. TRANSFERS

An amount of £6,046 has been transferred from General fund to Caravan fund as a contribution which represents expenses paid towards caravan costs incurred during the year.

NATURAL BREAKS LIMITED

England & Wales - Charity number 1168733

Accounts

REGISTERED COMPANY NUMBER: 02996621 (England and Wales)
REGISTERED CHARITY NUMBER: 1168733

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2023

for

Natural Breaks Limited

SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Natural Breaks Limited

Contents of the Financial Statements
for the Year Ended 31 March 2023

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 12
Statement of Financial Activities	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Statement of Cash Flows	16
Notes to the Financial Statements	17 to 23
Detailed Statement of Financial Activities	24 to 25

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve the needs of adults and children with disabilities and their carers residing in the North West of England by:

- Providing help, support and guidance.
- Promoting health and well being through supporting individuals to lead full and active lives.
- Providing supported holidays.
- Providing opportunities for respite.

Mission

We believe living an ordinary life can be extraordinary. Our mission is to work with people with disabilities, their families, commissioners and our strategic partners

- to develop and deliver excellent personalised services,
- providing the highest standards of support and care,
- and best value for money

so that people with disabilities and complex needs and their families can live more fulfilling and inclusive lives.

Values

Our mission is underpinned through 'The Natural Breaks Way'; our values being:

- Person Centeredness
  The people we support are at the heart of everything we do. We believe in empowering people to develop the skills and confidence to fulfil their aspirations and dreams.
- Respect
  We believe in paying due regard and consideration for the feelings, abilities and rights of others. Natural Breaks is a place where everyone feels valued and contributes to making a difference.
- Kind
  We believe in the importance of being caring and considerate in providing support that empowers people to live their best life.
- Commitment
  We are dedicated to working together to deliver an exceptional service where people are encouraged to achieve their goals and aspirations.
- Inclusive
  We believe every individual has the right to live as a valued member of their community, creating a sense of belonging and ability to positively contribute to that community.
- Creative
  We are imaginative and resourceful in finding solutions which meet individual needs and aspirations, as well as those of the organisation.

Our key business objectives for 2022-2023 were as follows:

- To continually assess the needs and priorities of people we support, workforce availability and technological solutions to deliver services in a safe and secure way.
- To provide value for money to the people and organisations who commission our services.
- To maintain our position as a Tier 1 provider for Liverpool Adult Social Services and be a preferred supplier with all local authorities in the areas where we operate.
- To deliver the financial sustainability plan to increase income generation and to tightly manage expenditure.
- To embed 'The Natural Breaks Way'; values, beliefs and behaviours, practiced by every single member of Natural Breaks in all policies, procedures, marketing and communications.
- Developing our Workforce Development Strategy and implementing changes to our pay and benefits, terms and conditions, health and wellbeing support.
- To Identify cost effective technology solutions to digitise our core records and processes.
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs.
- To increase our fundraising capabilities to keep fulfilling our charitable purposes.
- To develop innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services.
- Celebrating our 30th year of delivering services with the people we support, their families and friends.

Significant activities
Supported Living - we support 27 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.

Social and Learning - we work with 35 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

'The Breakers' caravan - our accessible caravan in North Wales was made available again following restrictions during the Covid-19 pandemic. In total 12 people we support and other people with disabilities, plus their families or carers used the caravan, some more than once.

Newquay Holiday - this is an annual event that takes place in August. In 2022, 12 people we support went with 3 staff. The trustees are extremely grateful to Liverpool Lions and Newquay Lions who provided their facilities for us and have done so for free for many years.

After two years affected by Covid-19, we were able to introduce a number of events in 2022-23. The events held were designed to appeal to different tastes and interests of as many people we support as possible. Where possible the events were opened up to people with needs who are not supported by Natural Breaks and in some cases, the local community. We were able to utilise some of the funds raised through 'Take a Break with Natural Breaks' fundraising to make these events accessible to more people and in total 216 people benefitted this way. Highlights included:

- Catch up and a cuppa - where people we support had an opportunity to meet as a group for the first time in 2 years
- Excursions to Llandudno, Blackpool Illuminations and Manchester Christmas market
- Warm Hub days during the winter where people we support could pop in for lunch and watch an afternoon film
- Christmas Party, Christmas jumper day and trip to see a Christmas Panto
- Our 30th Anniversary celebration when everyone we support, families and staff got together to have an afternoon chatting together, reminiscing, singing their favourite hit songs and having great fun with old friends

Following the success of those events, we wanted the 2023-24 programme to be driven by the people we support. Everyone was asked for their views and, in addition to old favourites, new ones have been added; with trips to Cadbury's World, Chester Zoo and ITV's Emmerdale planned.

Public benefit
In setting our objectives and planning our activities the trustees have considered the Charity Commission's general guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 March 2023 our key achievements were as follows:

- Continuing to provide quality services to the people we support and their families and carers, despite the well documented challenges the sector faced coming out of the Covid-19 pandemic. The Care Quality Commission's approach to inspections of providers' services has changed but our rating remains GOOD. In their September 2023 'off-site' dynamic monitoring review the inspectors stated 'we have not found evidence that we need to carry out an inspection or reassess our rating'. The last full inspection in May 2019 focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas. The inspector commented:
  'People were positive about the care and support they received from Natural Breaks'
  'Staff were caring and always promoted people's dignity and independence'
  'People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
  'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
  'Risks which compromised people's health and well-being were appropriately assessed...and contained a high level of detailed information'
- Maintaining Tier 1 provider status with Liverpool Adult Social Services. In their last compliance review (pre-Covid-19) the commissioner's stated '...The Client Monitoring Framework was well evidenced and presented and officers attending the on-site visit spoke very positively about the service.'
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Delivering our financial sustainability plan, which enabled us to increase income and manage our costs whilst increasing our pay rates above Real Living Wage levels.
- Using the Positive Behavioural Support skills and knowledge[1] in our senior management team to ensure a further successful transition of a young person with very complex needs from child to adult social care. Achievements that have led to us being approached to deliver similar services in 2023.
- Developing ideas around 'a life not a service', for example, by making a property available for people to experience a trial in Supported Living. Other examples include; facilitating volunteering opportunities in local communities, art and music sessions in conjunction with local charities and people we support co-editing our newsletter. We were particularly pleased to hear that one of the people we support received 'Volunteer of the Year' award from the hospital where they volunteer.
- Embedding 'The Natural Breaks Way', values, beliefs and behaviours in all policies, procedures and in our website, marketing and communications. The Have Your Say group, made up from people we support, when asked say;
  - 'support staff know me well...',
  - 'the events and trips are good...' and
  - 'we have brilliant staff...'.
- Developing our Workforce Development Strategy; pulling together initiatives around pay, benefits, conditions, training & development, health and wellbeing ensuring we remain an attractive and competitive employer. In our latest staff survey in November 2022;
  - 87% of said they felt happy, safe and belong
  - 90% said they felt fulfilled in their role
- Procuring an integrated care support and rota management system which will enable us to transform our care plans and support arrangements from paper to digital. The pilot was completed successfully and the system is now being rolled out on a phased basis across all our services.

[1] One of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Trustees decided to continue fundraising without recourse to an internal fundraiser or external support. Nevertheless, the charity had a really successful year raising funds around the theme 'Take a Break with Natural Breaks'. This fund is designed to provide assistance for people with disabilities to be able to access subsidised trips, events etc. The achievement is remarkable with our Chief Executive leading on bids and other funds being raised through our staff and trustees, their families and friends, and families and friends of people we support.
We raised £10,649 mainly through the following:

- joining 'The Big Give' Christmas Challenge which raised £4,581 - we are so grateful to all Champions, Pledgers, donors, people we support who participated and everyone involved
- a successful bid for £4,000 from Scott Bader's charitable fund
- a donation from an employee of Scott Bader, related to a person we support, using their allocation of the Scott Bader Employees charity support scheme
- our office staff and senior managers doing 10,000 steps per day during November for our 30th Anniversary
- other donations from individuals connected with our staff, trustees and friends and families of people we support
- AmazonSmile and easyfundraising schemes' donations when our supporters use these for on-line shopping

Our website, fully launched in 2018, has excellent, secure fundraising functionality and is the prime method for receiving donations.

Natural Breaks has registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We do not use professional fundraisers or commercial participators. All events are managed by a nominated employee and all funds raised are managed by our Finance Manager. The very nature of our charity brings us into contact with vulnerable people and we have robust safeguarding and professional boundaries policies. We have had no complaints about fundraising by our charity.

Internal and external factors

The trustees continue to be delighted with the performance of our Chief Executive, Diane Hesketh. Diane has risen to the challenge to meet expectations for pre Covid-19 service levels and activities to be resumed, whilst workforce shortages was a problem across the whole sector. She brings great enthusiasm to the role; has galvanised the senior management team, motivated our workforce, raised the profile and importance of Natural Breaks with commissioners and established a real rapport with the people we support and their families on an individual basis and collectively at the various events held.

On a sad note, Joe Steen who was our Chair and Board member for many years died in January 2023. Joe was an exceptional person who championed for people with disabilities all his life and gave his time, knowledge and wisdom to Natural Breaks and other organisations in the sector. Everyone at Natural Breaks will miss him.

During the last year the Board instigated a plan to recruit additional trustees. Three new trustees have since joined the charity.

FINANCIAL REVIEW

Financial position

The actions in our Financial Sustainability Plan, first introduced by the trustees in 2018-19, continued through 2022-23. Our income grew by 7.4%, reflecting increased delivery and improvements in rates paid by commissioners. Through careful management of resources (e.g. yet again we delivered our services without recourse to agency staffing) and tight control of costs, we were able to pay above Real Living Wage levels but keep our expenditure increase to 12.4%. Overall, the organisation recorded a surplus of 0.3% which was better than forecast in the plan.

The trustees have agreed a further financial sustainability plan for 2023-24 with a number of actions identified, initiatives to increase overall income and measures to tightly control costs.

Principal funding sources

Our principal funding in 2022-23 came from commissioners in the local authorities of Liverpool and Sefton with some via NHS Continuing Health Care. Other funding came from direct payments by people we support, their families and carers.

There were restricted grants and funds received in 2022-23 amounting to £11,701 in respect of the 'Take a Break with Natural breaks' fund, funding for the caravan, and some residual relief payments towards the impact of Covid-19 costs.

FINANCIAL REVIEW

Investment policy and objectives

Funds that are surplus to requirements in the short term are kept in notice-based interest-bearing accounts. Natural Breaks does not have any other investments.

Reserves policy

Natural Breaks is determined to keep a level of reserves commensurate with balancing the need to release funds with the need to retain sufficient funds for an orderly, compliant closure and redundancy costs. The calculation of average monthly operating costs includes all recurring predictable expenses such as redundancy for office-based staff, salaries, tax/NI and rent. Best- and worst-case breakdowns are held with the organisation's Reserve policy.

The level of reserves at 31 March 2023 has increased to £735,772 The trustees acknowledge that this is higher than that required by the best- and worst-case costs in the reserves policy but they believe that it is appropriate in view of the general economic uncertainty in the sector, pressures on income and increasing staff costs. The reserves policy will be kept under regular review.

FUTURE PLANS

The trustees recognise the ever-increasing challenges Natural Breaks face delivering social care; with the need to balance the pressures on income, with the expectations of people we support and their families and carers, with the need to excel in regulatory requirements and meet the needs to reward and develop our staff.

The financial sustainability actions introduced in previous years have placed the organisation in ideal shape to expand the range of services and activities we can provide in future years. Our plans for 2023-24 continue this journey and include:

- Ensuring we continue delivering services in a safe and secure way by assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Developing a pathway to prepare to achieve CQC Outstanding status
- Delivering our Workforce Development Strategy and implementing changes to our pay and benefits, terms and conditions, health and wellbeing support to ensure we remain an attractive and competitive employer
- Rolling out our integrated care and rota management system across our services
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Natural Breaks activities started in 1992 and was incorporated as a not-for-profit company limited by guarantee in 1994. In August 2016 it became a registered charity.

Recruitment and appointment of new trustees

The Articles allow for up to 9 trustees (minimum 2). As at 31st March 2023, the Board had 4 trustees following the sad death of Joe Steen. At the time of this report, the Board has increased to 7 trustees, including its chair.

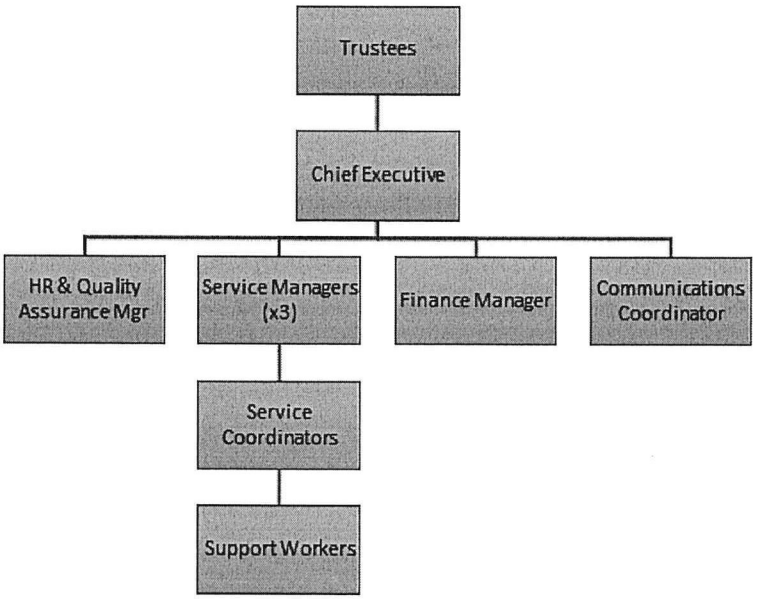
Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

Trustees are elected by the members of the charity and one third, by rotation, each year must retire and can stand for re-election. The trustees have discretion to admit into membership of the charity individuals who support the objects of Natural Breaks. Constant regard is paid to the skills mix of the trustees to ensure they all have the necessary skills to contribute fully to the charity's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisation structure at 31st March 2023 was as follows:



Decision making

The board of trustees meets bi-monthly. The board is supported by the following committees, with defined terms of reference, and which meet throughout the year:

- Governance and Safeguarding
- Finance
- Business and Marketing

The chief executive and senior managers attend, and provide reports to, regular meetings of the board of trustees and the committees. This enables the business of Natural Breaks, including strategy development and governance, to be undertaken collaboratively.

The chief executive manages the day to day business within defined authority delegated by the trustees. The delegated authority is reviewed quarterly and covers activities that can be undertaken without the trustees' specific agreement, for example:

- Size and scope of services that can be procured.
- Fundraising.
- Staff policies.
- Staff remuneration.
- Budget and expenditure.
- Procurement of assets.
- Contractual obligations and liabilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

On becoming a trustee, trustees are briefed by the chair on their responsibilities as a trustee. They are briefed by their co-trustees and chief executive on the history of Natural Breaks, financial position and operational management of the charity, current objectives and future plans. The trustees are encouraged to attend any courses which they feel are relevant to the development of their role and keep up to date on any changes in legislation. All the directors at the time Natural Breaks became a charity undertook independent training in the 'roles and responsibilities of trustees' and members of the Finance Committee undertook 'financial awareness' training.

Risk management

The Governance Committee regularly review the strategic risk register and have identified key risks and determined their mitigation. These include:

1 Competition from similar organisations, with an ever-present factor being those paying higher wages and an emerging factor being use of technology. Mitigations - The trustees have sanctioned above Real Living Wage for 2023-24 and continue to monitor the local market to ensure the charity's reward and recognition package is attractive. Developments in adult social care in the Merseyside area and all requests for new services are logged and outcomes are reported to the Business & Marketing Committee. Families and carers are surveyed regularly and their feedback acted upon.

2 Information Technology, particularly digitisation of the sector and cyber security. Mitigation - To transform our care plans and support arrangements from paper to digital, we procured an integrated care support and rota management system in 2022. This is being rolled out across all our services. Mindful of the change in risk profile in moving from an essentially paper-based operation, our cyber security strategy and business continuity plans are being refined and the Data Protection & Security Toolkit assessment is being completed.

3 Over dependency on one key supplier. Mitigation - Opportunities to develop transition services and services in boroughs outside Liverpool are monitored. Work will continue to develop additional sources in 2023-24.

4 Employment issues. Mitigation - Our Chief Executive and senior managers regularly hold staff forums, briefing staff on developments, receiving feedback and building team spirit. For example;
- Bank holiday pay. Following a review of rates paid, the Trustees felt that our existing rates were slightly too generous compared to other local providers. Extensive consultation with staff has taken place and changes introduced successfully.
- Employee health and well-being is a priority area for the organisation. Individual health and welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. Our Wellbeing Strategy, risks and appropriate mitigation measures was introduced in 2022 and is reviewed regularly with training including Mental Health Awareness and Mental Health Champions taking place.

5 Cash flow sensitivities. Mitigation - The cash flow forecast for 2023-24 is reviewed by the Finance Committee

6 Dependency on income from local authorities. Mitigation - The trustees are aware of comments made by local authorities about their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored.

6 Compliance with legislation and regulations, specifically;
a arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. Mitigation - A specialist fire risk assessment provider has been engaged and an annual survey programme is in operation, with assessments and actions being reported to the trustees through the Governance & Safeguarding Committee.
b Covid-19. Mitigation - HM Government, public health and regulatory requirements and guidelines for Covid-19 PPE, safe working practices and standards required for a Covid Safe Workplace are monitored by senior management and implemented across all services and offices. Our Infection Control policy is strictly adhered to and training provided. People we support have; individual care plans which state pathways to healthcare, health passports and 'grab and go' NHS learning disability template in case of hospital admission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02996621 (England and Wales)

Registered Charity number
1168733

Registered office
Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees
K C Lloyd
J Steen (deceased 18.1.23)
I P Meyer
Mrs J Erskine
R Itiokiet
D G O'Shaughnessy (appointed 19.6.23)
P H Weston (appointed 19.6.23)
G Flanagan (appointed 14.8.23)

Company Secretary
Mrs K Burke

Auditors
SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Natural Breaks Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

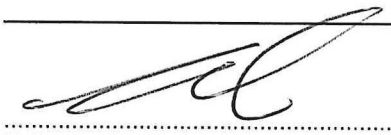
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on .....4/12/23..... and signed on its behalf by:



.....
K C Lloyd - Trustee

Opinion

We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (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 March 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 Companies Act 2006.

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 UK, including the FRC'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.

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 Report of the Independent Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006
  - UK corporate tax laws
  - UK employment laws
  - UK health and safety regulations
  - Care Quality Commission
  - Health and Social Care Act 2008
  - Health and Care Act 2022

- We assessed the susceptibility of the Company's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Suzanne Draper FCCA ACA (Senior Statutory Auditor)
for and on behalf of SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 12/12/23

Natural Breaks Limited

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	**31.3.23 Total funds £**	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**15,989**	**11,026**	**27,015**	80,392
Charitable activities	5				
Supported Living		**3,337,323**	**-**	**3,337,323**	3,051,439
Other trading activities	3	**-**	**675**	**675**	860
Investment income	4	**2,983**	**-**	**2,983**	941
Total		**3,356,295**	**11,701**	**3,367,996**	3,133,632
EXPENDITURE ON					
Charitable activities	6				
Supported Living		**3,349,178**	**16,203**	**3,365,381**	2,994,454
NET INCOME/(EXPENDITURE)		**7,117**	**(4,502)**	**2,615**	139,178
Transfers between funds	15	**32,095**	**(32,095)**	**-**	-
Net movement in funds		**39,212**	**(36,597)**	**2,615**	139,178
RECONCILIATION OF FUNDS					
Total funds brought forward		**675,539**	**57,618**	**733,157**	593,979
TOTAL FUNDS CARRIED FORWARD		**714,751**	**21,021**	**735,772**	733,157

The notes form part of these financial statements

Natural Breaks Limited

Statement of Financial Position
31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	11	**14,674**	**11,059**	**25,733**	29,092
CURRENT ASSETS					
Debtors	12	**325,103**	**450**	**325,553**	322,781
Cash at bank and in hand		**601,939**	**9,512**	**611,451**	623,724
		927,042	**9,962**	**937,004**	946,505
CREDITORS					
Amounts falling due within one year	13	**(226,965)**	**-**	**(226,965)**	(242,440)
NET CURRENT ASSETS		**700,077**	**9,962**	**710,039**	704,065
TOTAL ASSETS LESS CURRENT LIABILITIES		**714,751**	**21,021**	**735,772**	733,157
NET ASSETS		**714,751**	**21,021**	**735,772**	733,157
FUNDS	15				
Unrestricted funds				**714,751**	675,539
Restricted funds				**21,021**	57,618
TOTAL FUNDS				**735,772**	733,157

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

The financial statements were approved by the Board of Trustees and authorised for issue on 4/12/23 and were signed on its behalf by:

.....
K C Lloyd - Trustee

The notes form part of these financial statements

Natural Breaks Limited

Statement of Cash Flows
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	(12,660)	22,089
Net cash (used in)/provided by operating activities		(12,660)	22,089
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,596)	(4,501)
Interest received		2,983	941
Net cash provided by/(used in) investing activities		387	(3,560)
Change in cash and cash equivalents in the reporting period		(12,273)	18,529
Cash and cash equivalents at the beginning of the reporting period		623,724	605,195
Cash and cash equivalents at the end of the reporting period		611,451	623,724

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net income for the reporting period (as per the Statement of Financial Activities)	**2,615**	139,178
Adjustments for:		
Depreciation charges	**5,955**	11,332
Interest received	**(2,983)**	(941)
Increase in debtors	**(2,772)**	(124,640)
Decrease in creditors	**(15,475)**	(2,840)
Net cash (used in)/provided by operations	**(12,660)**	22,089

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	**623,724**	**(12,273)**	**611,451**
	623,724	**(12,273)**	**611,451**
Total	**623,724**	**(12,273)**	**611,451**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis of the allocation of premises overheads and other overheads is shown in note 5.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits
When employees have rendered service to the company, short-term employee benefits to which the employees are entitles are recognised at the undiscounted amount expected to be paid in exchange for that service.

continued...

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Contributions to Activities	11,738	-
Gifts and donations	9,974	10,674
HMRC Covid SSP	-	2,746
Grants	5,303	66,972
	27,015	80,392

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
Job Retention Scheme Grant	5,303	66,972

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Fundraising events	675	860

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Interest receivable	2,983	941

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.23	31.3.22
		£	£
Supported living services	Supported Living	2,972,288	2,728,701
Social Learning Outreach Income	Supported Living	365,035	322,738
		3,337,323	3,051,439

continued...

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Supported Living	**2,717,066**	**648,315**	**3,365,381**

7. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Supported Living	**454,544**	**136,445**	**49,097**	**8,229**	**648,315**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Auditors' remuneration	**5,799**	4,669
Depreciation - owned assets	**5,955**	11,332

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	**2,741,049**	2,405,179
Social security costs	**264,352**	205,629
Other pension costs	**71,007**	56,578
	3,076,408	2,667,386

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Charitable activity staff	**108**	103

No employees received emoluments in excess of £60,000.

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2022	**75,789**	**94,371**	**170,160**
Additions	**-**	**2,596**	**2,596**
At 31 March 2023	**75,789**	**96,967**	**172,756**
DEPRECIATION			
At 1 April 2022	**75,789**	**65,279**	**141,068**
Charge for year	**-**	**5,955**	**5,955**
At 31 March 2023	**75,789**	**71,234**	**147,023**
NET BOOK VALUE			
At 31 March 2023	**-**	**25,733**	**25,733**
At 31 March 2022	-	29,092	29,092

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	**297,698**	289,913
Other debtors	**9,088**	15,790
Prepayments	**18,767**	17,078
	325,553	322,781

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Pensions	**12,671**	12,535
Other creditors	**119,105**	103,498
Accruals and deferred income	**95,189**	126,407
	226,965	242,440

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23 £	31.3.22 £
Within one year	**54,768**	-
Between one and five years	**54,768**	-
	109,536	-

continued...

15. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	**675,539**	**7,117**	**32,095**	**714,751**
Restricted funds				
Caravan Fund	**16,357**	**(9,868)**	**5,020**	**11,509**
Workforce Retention Fund	**36,275**	**840**	**(37,115)**	**-**
Take A Break Project	**4,986**	**4,526**	**-**	**9,512**
	57,618	**(4,502)**	**(32,095)**	**21,021**
TOTAL FUNDS	**733,157**	**2,615**	**-**	**735,772**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**3,356,295**	**(3,349,178)**	**7,117**
Restricted funds			
Caravan Fund	**1,621**	**(11,489)**	**(9,868)**
Workforce Retention Fund	**840**	**-**	**840**
Take A Break Project	**9,240**	**(4,714)**	**4,526**
	11,701	**(16,203)**	**(4,502)**
TOTAL FUNDS	**3,367,996**	**(3,365,381)**	**2,615**

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	576,650	98,889	675,539
Restricted funds			
Caravan Fund	17,329	(972)	16,357
Workforce Retention Fund	-	36,275	36,275
Take A Break Project	-	4,986	4,986
	17,329	40,289	57,618
TOTAL FUNDS	593,979	139,178	733,157

continued...

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,071,834	(2,972,945)	98,889
Restricted funds			
Caravan Fund	5,404	(6,376)	(972)
Workforce Retention Fund	51,408	(15,133)	36,275
Take A Break Project	4,986	-	4,986
	61,798	(21,509)	40,289
TOTAL FUNDS	3,133,632	(2,994,454)	139,178

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

17. UNRESTRICTED FUNDS

General fund - This fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

18. RESTRICTED FUNDS

Caravan Fund
The fund was set up following consultation with beneficiaries of the charity and their families. The provision of accessible holidays and short breaks were identified as a valuable service that would benefit many.

Receipt of a restricted donation, together with general fundraising gave the charity the opportunity to purchase a 6 berth fully accessible caravan at Lyons Holiday Parks in Toywn, North Wales. It has been a hugely successful acquisition, giving well deserved opportunity and benefit to those we support.

The balance of the fund represents the NBV of the caravan included in fixed assets.

Workforce Capacity
Grant received to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity.

Take a Break Project
To subsidize the cost of holidays, day trips and other centre activities to enable service users to attend without the additional cost.

continued...

19. TRANSFERS

An amount of £5,020 has been transferred from General fund to Caravan fund as a contribution which represents expenses paid towards caravan costs incurred during the year.

An amount of £37,115 has been transferred from Workforce Retention fund to General fund to offset the expenses incurred during the year through general unrestricted funds.

Natural Breaks Limited

Detailed Statement of Financial Activities
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Contributions to Activities	**11,738**	-
Gifts and donations	**9,974**	10,674
HMRC Covid SSP	**-**	2,746
Grants	**5,303**	66,972
	27,015	80,392
Other trading activities		
Fundraising events	**675**	860
Investment income		
Interest receivable	**2,983**	941
Charitable activities		
Supported living services	**2,972,288**	2,728,701
Social Learning Outreach Income	**365,035**	322,738
	3,337,323	3,051,439
Total incoming resources	**3,367,996**	3,133,632
EXPENDITURE		
Charitable activities		
Wages	**2,378,520**	2,127,818
Social security	**233,355**	181,900
Pensions	**62,276**	49,390
Daily activities	**38,467**	17,816
Childrens services expenditure	**4,448**	30,458
	2,717,066	2,407,382
Support costs		
Human resources		
Wages	**362,529**	277,361
Social security	**30,997**	23,729
Pensions	**8,731**	7,188
Staff training, recruitment and other	**46,049**	41,708
Staff benefits	**6,238**	15,133
	454,544	365,119
Office costs		
Insurance	**18,784**	18,752
Carried forward	**18,784**	18,752

Natural Breaks Limited

Detailed Statement of Financial Activities
for the Year Ended 31 March 2023

	31.3.23	31.3.22
	£	£
Office costs		
Brought forward	**18,784**	18,752
Telephone	**18,266**	18,649
Postage and stationery	**7,024**	6,462
Sundries	**22,067**	26,313
Bank charges	**447**	940
Equipment expensed	**14,806**	11,401
I.T. support costs	**34,342**	31,464
Company development	**6,611**	10,232
Legal	**14,098**	7,845
Covid support expenditure	**-**	1,694
	136,445	133,752
Premises costs		
Rent, rates & dilapidation	**43,142**	69,890
Improvements to property depreciation	**-**	5,053
Fixtures and fittings depreciation	**5,955**	6,279
	49,097	81,222
Governance costs		
Auditors' remuneration	**5,799**	4,669
Accountancy fees	**2,430**	2,310
	8,229	6,979
Total resources expended	**3,365,381**	2,994,454
Net income	**2,615**	139,178

NATURAL BREAKS LIMITED

England & Wales - Charity number 1168733

Accounts

REGISTERED COMPANY NUMBER: 02996621 (England and Wales)
REGISTERED CHARITY NUMBER: 1168733

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2022

for

Natural Breaks Limited

SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Natural Breaks Limited

Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 12
Statement of Financial Activities	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Statement of Cash Flows	16
Notes to the Financial Statements	17 to 22

Report of the Trustees for the Year Ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve the needs of adults and children with disabilities and their carers residing in the North West of England by:

- Providing help, support and guidance.
- Promoting health and well being through supporting individuals to lead full and active lives.
- Providing supported holidays.
- Providing opportunities for respite.

Mission

We believe living an ordinary life can be extraordinary. Our mission is to work with people with disabilities, their families, commissioners and our strategic partners

- to develop and deliver excellent personalised services,
- providing the highest standards of support and care,
- and best value for money

so that people with disabilities and complex needs and their families can live more fulfilling and inclusive lives.

Values

Following extensive engagement with the people we support, staff, managers and trustees, it was agreed that our past values (see previous Trustees Reports) did not quite encapsulate 'The Natural Breaks Way'. The trustees are grateful to everyone involved in redefining our values to be:

- Person Centeredness
  The people we support are at the heart of everything we do. We believe in empowering people to develop the skills and confidence to fulfil their aspirations and dreams.
- Respect
  We believe in paying due regard and consideration for the feelings, abilities and rights of others. Natural Breaks is a place where everyone feels valued and contributes to making a difference.
- Kind
  We believe in the importance of being caring and considerate in providing support that empowers people to live their best life.
- Commitment
  We are dedicated to working together to deliver an exceptional service where people are encouraged to achieve their goals and aspirations.
- Inclusive
  We believe every individual has the right to live as a valued member of their community, creating a sense of belonging and ability to positively contribute to that community.
- Creative
  We are imaginative and resourceful in finding solutions which meet individual needs and aspirations, as well as those of the organisation.

Our key business objectives for 2021-2022:

As a result of the Covid-19 pandemic the trustees decided the objectives for 2021-22 must focus firstly on continuing to provide our services on a Covid-19 safe and secure way, to assess what future needs will be and to then deliver the 'new normal'. In parallel with these, the trustees remained committed to building on the achievements of previous years and delivering our mission to more people. Natural Breaks started in the early 1990's and throughout nearly 30 years has adapted to change whilst not losing sight of our mission and core values.

Our key business objectives for 2021/2022 were as follows:

- To assess the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance to deliver services in a Covid-19 safe and secure way.
- To provide value for money to the people and organisations who commission our services.
- To maintain our position as a Tier 1 provider for Liverpool Adult Social Services and be a preferred supplier with all local authorities in the areas where we operate.
- To deliver the financial sustainability plan to ensure available Covid-19 funding and reliefs are utilised, to increase income generation and to tightly manage expenditure.
- To reassess our 'back office' staffing needs in the light of emerging Covid-19 business practices.
- To implement 'The Natural Breaks Way' programme so that our values and behaviours are practiced by every single member of Natural Breaks and embedded in our policies and procedures.
- Renewing our Investors In People generation 6 standard accreditation.
- Implementing changes to our pay and benefits, terms and conditions, health and wellbeing support.

- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs.
- Increasing our fundraising capabilities to keep fulfilling our charitable purposes.
- To develop innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services.

Significant activities
Supported Living - we support 26 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.
Social and Learning - we work with 48 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

The delivery of our activities in 2021/22 followed the careful approach introduced at the outset of the Covid-19 pandemic in 2020. We continued to review all services we provide using a RAG rating and worked with commissioners, people we support and their families to assess the impact of Covid-19 measures on them and prioritise their needs alongside our workforce's availability. We followed, and continue to follow, guidance from HM Government closely on a daily basis and keep abreast of guidance from Public Health England and NHS England, particularly in relation to infection control, good hygiene and steps to reduce risk of catching or spreading Covid-19, including social distancing, testing, promoting vaccinations and self-isolation. We also follow sector guidance including from the Care Provider Alliance (CPA) and Care Quality Commission (CQC) and attend regular provider forums set up locally in response to the pandemic.

We continue to deliver all supported living services and, in conjunction with families and commissioners, have gradually increased social and learning services in numbers and scope as pandemic measures have relaxed.

The pandemic lock-downs restricted availability of 'The Breakers' accessible caravan in North Wales. Nevertheless, people we support and other people with disabilities, plus their families or carers used the caravan in 2021 and 2022 has seen a return to more normal levels of usage.

Delivery of our other significant activities i.e. Out and About (a service which is similar to Social and Learning support, but where people can be safely supported in small groups) and the Newquay Holiday (provided with Liverpool Lions and Newquay Lions) could not take place in 2021. However, in addition to the Newquay Holiday other activities for the people we support, their families and friends planned for this current year are:

- Llandudno excursion
- Blackpool Lights trip
- Manchester Christmas Market
- Christmas Panto

Public benefit
In setting our objectives and planning our activities the trustees have considered the Charity Commission's general guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 March 2022 our key achievements were as follows:

- Continuing to provide quality services to the people we support and their families and carers, despite the well documented challenges the sector faced due to the Covid-19 pandemic. The Care Quality Commission's approach to inspections of providers' services has changed but our rating remains GOOD. In their September 2022 'off-site' monitoring review the inspectors stated 'we have not found evidence that we need to carry out an inspection or reassess our rating'. The last full inspection in May 2019 focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas. The inspector commented:

...'People were positive about the care and support they received from Natural Breaks'
...'Staff were caring and always promoted people's dignity and independence'
...'People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
...'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
...'Risks which compromised people's health and well-being were appropriately assessed...and contained a high level of detailed information'

- Maintaining Tier 1 provider status with Liverpool Adult Social Services. In their last compliance review (pre-Covid-19) the commissioner's stated '...The Client Monitoring Framework was well evidenced and presented and officers attending the on-site visit spoke very positively about the service.'
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Delivering our financial sustainability plan, which enabled us to increase income and manage our costs whilst increasing our pay rates so that we were able to become a Real Living Wage employer for the first time.
- Using the Positive Behavioural Support skills and knowledge [1] in our senior management team to ensure a successful transition of a young person with very complex needs from child to adult social care. An achievement that has led to us being engaged in the design of similar services in 2022.
- Completing the programme to move a group of people we support in one property to bespoke refurbished 2/3 person houses but remaining in the same local area. This work started in Summer 2020 with the wishes of the people we support central to our involvement with their families, Adult Social Care and housing providers.
- Developing our ideas around 'a life not a service', for example, by helping a person receiving support through Social & Learning to trial Supported Living in their own home. Other examples, include facilitating volunteering opportunities in local communities and people we support co-editing our newsletter.
- Completing the first phase in the implementation of 'The Natural Breaks Way'. This phase of the project involved people we support, their families, staff, managers and trustees in examining our current values, beliefs and behaviours. The overwhelming feeling was that whilst those values had stood us in good stead but did not quite encapsulate us. Over many months, often disrupted by Covid-19, the working groups redefined our values, beliefs and behaviours and these are proudly stated in the Values section of this report.

[1] One of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

Covid-19 curtailed our fundraising for 2021-22 but, nevertheless we were able to undertake some activities and find new sources of generosity. We raised £11,534 mainly through the following:

- joining 'The Big Give' Christmas Challenge which raised £4,985 - we are so grateful to all Champions, Pledgers, donors, people we support who participated and everyone involved
- MFP Technology, a company that employs a relative of one of our trustees, donating new IT equipment worth £4,000
- a relative of one of the people we support holding a charity evening for Natural Breaks, supported by several local entertainers who donated their time for free
- other donations from individuals connected with our staff, trustees and friends and families of people we support
- our Chair completing a 'Run 1000km for £1000' challenge in January 2022 which raised £1070
- AmazonSmile and easyfundraising schemes' donations when our supporters use these for on-line shopping

Our website, fully launched in 2018, has excellent, secure fundraising functionality and is the prime method for receiving donations.

We suspended our search for a fundraiser and are monitoring the post Covid-19 fundraising market to determine how best to increase our fundraising capacity from 2022 onwards.

Natural Breaks has registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We do not use professional fundraisers or commercial participators. All events are managed by a nominated employee and all funds raised are managed by our Finance Manager. The very nature of our charity brings us into contact with vulnerable people and we have robust safeguarding and professional boundaries policies. We have had no complaints about fundraising by our charity.

Internal and external factors

The trustees continue to be delighted with the performance of our Chief Executive, Diane Hesketh. This report covers the second full year of the Covid-19 pandemic which threw up many new challenges. Along with other organisations we faced huge disruptions to rotas due to 'track and trace', frequently changing guidelines, the intended but later aborted mandatory vaccination regulations, workforce shortages across the sector and a gradual increase in expectation levels to resume 'normal service'. Diane's performance was exceptional. The measures and changes in working practices introduced in 2020-21 for example; 'RAG' assessments of all services, real time reporting of staff availability and timely briefings and FAQs proved robust and continue to do so.

The trustees want to place on record their thanks for the role played by our commissioners. The financial support given throughout 2021-22 helped to meet the extra costs of delivering services.

FINANCIAL REVIEW

Financial position

The actions in our Financial Sustainability Plan, first introduced by the trustees in 2018-19, continued through 2021-22 and was updated to include a number of Covid-19 specific actions (e.g. utilising Covid-19 funding and reliefs from HM Government and commissioners). Our income grew by 4.8% and, through careful management of resources (e.g. yet again we delivered our services without recourse to agency staffing) and tight control of costs, our expenditure increase was limited to 6.4%. Overall, the organisation recorded a surplus of 4.4% which was better than forecast in the plan.

The trustees have agreed a further financial sustainability plan for 2022-23 with a number of actions identified, initiatives to increase overall income and measures to tightly control costs.

Principal funding sources

Our principal funding in 2021-22 came from commissioners in the local authorities of Liverpool and Sefton with some via NHS Continuing Health Care. Other funding came from direct payments by people we support, their families and carers.

Covid-19 measures continued to affect some of the services we were able to provide, mainly in respect of social and learning activities. However, the commissioners recognised the potential financial problems all providers in the sector faced and made available a number of Covid-19 grants. Natural Breaks utilised these arrangements allowing us to take measures to improve workforce recruitment and retention, including implementing various employee incentives such as Refer A Friend payment scheme; enhanced payments and performance related bonuses as well as obtain PPE and manage other infection control scenarios.

There were restricted grants and funds received in 2021-22 amounting to £61,798 in respect of funding for the caravan, towards the impact of Covid-19 costs and provision of IT equipment.

FINANCIAL REVIEW

Investment policy and objectives

Funds that are surplus to requirements in the short term are kept in notice-based interest-bearing accounts. Natural Breaks does not have any other investments.

Reserves policy

Natural Breaks is determined to keep a level of reserves commensurate with balancing the need to release funds with the need to retain sufficient funds for an orderly, compliant closure and redundancy costs. The calculation of average monthly operating costs includes all recurring predictable expenses such as redundancy for office-based staff, salaries, tax/NI and rent. Best- and worst-case breakdowns are held with the organisation's Reserve policy.

The level of reserves at 31 March 2022 has increased to £733,157. The trustees acknowledge that this is higher than that required by the best- and worst-case costs in the reserves policy but they believe that it is appropriate in view of the general post pandemic economic uncertainty in the sector, pressures on income and increasing staff costs. The reserves policy will be kept under regular review.

FUTURE PLANS

The trustees fully recognise the challenges Natural Breaks faces in delivering social care in a nation recovering from the Covid-19 pandemic and in a sector that continues to face significant funding pressures couple with a workforce crisis. Our plans always seek to balance the pressures on income, with the expectations of people we support and their families and carers, with the need to excel in regulatory requirements and meet the needs to reward and develop our staff.

The financial sustainability actions introduced in previous years have placed the organisation in ideal shape to expand the range of services and activities we can provide in future years. Our plans for 2022-23 continue this journey and include:

- Ensuring we continue delivering services in a Covid-19 safe and secure way by assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance
- Embedding 'The Natural Breaks Way'; values, beliefs and behaviours practised by every member of Natural Breaks in our policies and procedures
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Developing and delivering further our Workforce Development Strategy
- Implementing changes to our pay and benefits, terms and conditions, health and wellbeing support to ensure we remain an attractive and competitive employer
- Identifying cost effective technology solutions to digitise our core records and processes
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs
- Increasing our fundraising capabilities
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services
- Celebrating our 30th year of delivering services with the people we support, their families and friends

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Natural Breaks activities started in 1992 and was incorporated as a not-for-profit company limited by guarantee in 1994. In August 2016 it became a registered charity.

Recruitment and appointment of new trustees

The Articles allow for up to 9 trustees (minimum 2). At the time of this report, the Board had 5 trustees, including its chair.

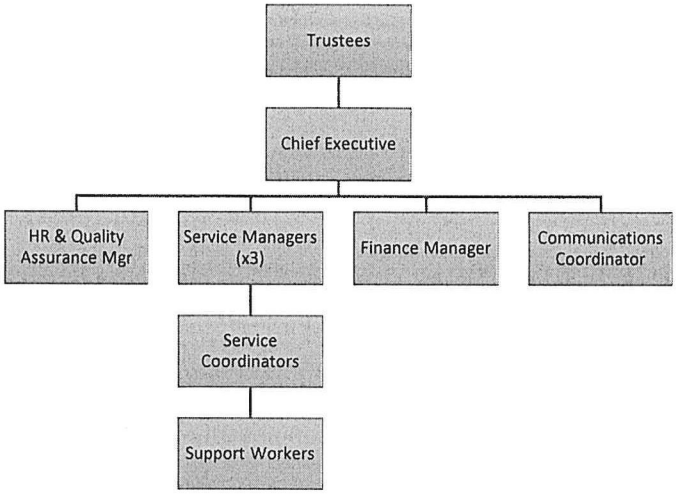
Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

Trustees are elected by the members of the charity and one third, by rotation, each year must retire and can stand for re-election. The trustees have discretion to admit into membership of the charity individuals who support the objects of Natural Breaks. Constant regard is paid to the skills mix of the trustees to ensure they all have the necessary skills to contribute fully to the charity's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisation structure at 31st March 2022 was as follows:



Decision making

The board of trustees meets bi-monthly. The board is supported by the following committees, with defined terms of reference, and which meet throughout the year:

- Governance and Safeguarding
- Finance
- Business and Marketing

The chief executive and senior managers attend, and provide reports to, regular meetings of the board of trustees and the committees. This enables the business of Natural Breaks, including strategy development and governance, to be undertaken collaboratively.

The chief executive manages the day to day business within defined authority delegated by the trustees. The delegated authority is reviewed quarterly and covers activities that can be undertaken without the trustees' specific agreement, for example:

- Size and scope of services that can be procured.
- Fundraising.
- Staff policies.
- Staff remuneration.
- Budget and expenditure.
- Procurement of assets.
- Contractual obligations and liabilities.

Induction and training of new trustees

On becoming a trustee, trustees are briefed by the chair on their responsibilities as a trustee. They are briefed by their co-trustees and chief executive on the history of Natural Breaks, the operational management of the charity, current objectives and future plans. The trustees are encouraged to attend any courses which they feel are relevant to the development of their role and keep up to date on any changes in legislation. All the directors at the time Natural Breaks became a charity undertook independent training in the 'roles and responsibilities of trustees' and members of the Finance Committee undertook 'financial awareness' training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Governance Committee regularly review the strategic risk register and have identified key risks and determined their mitigation. Reflecting the impact of the Covid-19 pandemic and post pandemic opportunities and threats in social care, these include:

1 Competition from similar organisations, with an ever-present factor being those paying higher wages and an emerging factor being use of technology. Mitigations - The trustees have sanctioned above Real Living Wage for 2022-23 and continue to monitor the local market to ensure the charity's reward and recognition package is attractive. Developments in adult social care in the Merseyside area and all requests for new services are logged and outcomes are reported to the Business & Marketing Committee. Families and carers are surveyed regularly and their feedback acted upon.

2 Information Technology, particularly in respect of digitisation of the sector. Mitigation - Our Chief Executive and senior management team have evaluated a number of technology providers and software to establish the most effective solutions to meet our needs in short to medium term. A business case has been made and, at the time of writing, is with trustees for sign-off.

3 Over dependency on one key supplier. Mitigation - Opportunities to develop transition services and services in boroughs outside Liverpool are monitored. Work will continue to develop additional sources in 2022-23.

4 Employment issues. Mitigation - Our Chief Executive and senior managers regularly hold staff forums, briefing staff on developments, receiving feedback and building team spirit. For example;
   - Employee health and well-being is a priority area for the organisation. Individual health and welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. In July 2021 we engaged an external specialist consultancy to work with us to analyse, design and administer the wellbeing of our employees, covering; Personal Wellbeing, Relationships and Social Connections, The Role of the Organisation, Future Working and Living with Covid-19. The results and analysis served to underpin the content of our Wellbeing Strategy, risks and appropriate mitigation measures including roll out of wellbeing training covering Mental Health First Aid in 2022-23 along with a bespoke Mental Health & Wellbeing course for all managers and service coordinators.
   - Sleep-in payments, we had paid at NMW. Following the MENCAP appeal decision, commissioned rates were frozen pending consultation in the local sector. In April 2022, the trustees decided to move in line with local providers and pay an allowance. Extensive consultation with staff has taken place and changes introduced successfully.

5 Cash flow sensitivities. Mitigation - The cash flow forecast for 2022-23 is reviewed by the Finance Committee.

6 Dependency on income from local authorities. Mitigation - The trustees are aware of comments made by local authorities about the impact of Covid-19 on their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored.

7 Compliance with legislation and regulations, specifically;
   a arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. Mitigation - We worked closely with commissioners, housing providers and Merseyside Fire & Rescue to implement all the immediate requirements satisfactorily. A specialist fire risk assessment provider has been engaged and an annual survey programme is in operation, with assessments and actions being reported to the trustees through the Governance & Safeguarding Committee.
   b Covid-19. Mitigation - Our registered manager attends the CQC briefings and senior managers attend the regular briefings by commissioners. Our Chief Executive regularly attends VODG meetings to aid keeping abreast of sector specific developments. HM Government, public health and regulatory requirements and guidelines for Covid-19 PPE, safe working practices and standards required for a Covid Safe Workplace are monitored by senior management and implemented across all services and offices. Our Infection Control policy is strictly adhered to and training provided. People we support have; individual care plans which state pathways to healthcare, health passports and 'grab and go' NHS learning disability template in case of hospital admission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02996621 (England and Wales)

Registered Charity number
1168733

Registered office
Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees
K C Lloyd
J Steen
I Meyer
Mrs J Erskine
R Itiokiet

Company Secretary
Mrs K Burke

Auditors
SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Natural Breaks Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 12/12/2022 and signed on its behalf by:

.....
K C Lloyd - Trustee

Opinion

We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (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 March 2022 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 Companies Act 2006.

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 UK, including the FRC'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.

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 Report of the Independent Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

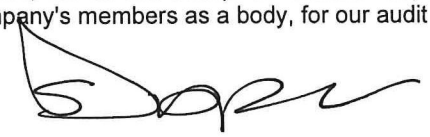
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006
  - UK corporate tax laws
  - UK employment laws
  - UK health and safety regulations
  - Quality Care Commission
  - Health and Social Care Act 2008
  - Health and Care Act 2022

- We assessed the susceptibility of the Company's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Draper FCCA ACA (Senior Statutory Auditor)
for and on behalf of SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 16/12/22

Natural Breaks Limited

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	**31.3.22 Total funds £**	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**18,594**	**61,798**	**80,392**	147,497
Charitable activities					
Supported Living		**3,051,439**	**-**	**3,051,439**	2,842,243
Other trading activities	3	**860**	**-**	**860**	372
Investment income	4	**941**	**-**	**941**	1,136
Total		**3,071,834**	**61,798**	**3,133,632**	2,991,248
EXPENDITURE ON					
Charitable activities	6				
Supported Living		**2,972,945**	**21,509**	**2,994,454**	2,813,926
NET INCOME		**98,889**	**40,289**	**139,178**	177,322
RECONCILIATION OF FUNDS					
Total funds brought forward		**576,650**	**17,329**	**593,979**	416,657
TOTAL FUNDS CARRIED FORWARD		**675,539**	**57,618**	**733,157**	593,979

The notes form part of these financial statements

Statement of Financial Position
31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	11	**13,268**	**15,824**	**29,092**	35,923
CURRENT ASSETS					
Debtors	12	**322,781**	**-**	**322,781**	198,141
Cash at bank and in hand		**581,930**	**41,794**	**623,724**	605,195
		904,711	**41,794**	**946,505**	803,336
CREDITORS					
Amounts falling due within one year	13	**(242,440)**	**-**	**(242,440)**	(245,280)
NET CURRENT ASSETS		**662,271**	**41,794**	**704,065**	558,056
TOTAL ASSETS LESS CURRENT LIABILITIES		**675,539**	**57,618**	**733,157**	593,979
NET ASSETS		**675,539**	**57,618**	**733,157**	593,979
FUNDS	14				
Unrestricted funds				**675,539**	576,650
Restricted funds				**57,618**	17,329
TOTAL FUNDS				**733,157**	593,979

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12/12/2022 and were signed on its behalf by:

.....
K C Lloyd - Trustee

The notes form part of these financial statements

Natural Breaks Limited

Statement of Cash Flows
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	**22,089**	258,865
Net cash provided by operating activities		**22,089**	258,865
Cash flows from investing activities			
Purchase of tangible fixed assets		**(4,501)**	(1,632)
Interest received		**941**	1,136
Net cash used in investing activities		**(3,560)**	(496)
Change in cash and cash equivalents in the reporting period		**18,529**	258,369
Cash and cash equivalents at the beginning of the reporting period		**605,195**	346,826
Cash and cash equivalents at the end of the reporting period		**623,724**	605,195

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22 £	31.3.21 £
Net income for the reporting period (as per the Statement of Financial Activities)	**139,178**	177,322
Adjustments for:		
Depreciation charges	**11,332**	22,641
Interest received	**(941)**	(1,136)
Increase in debtors	**(124,640)**	(2,735)
(Decrease)/increase in creditors	**(2,840)**	62,773
Net cash provided by operations	**22,089**	258,865

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	**605,195**	**18,529**	**623,724**
	605,195	**18,529**	**623,724**
Total	**605,195**	**18,529**	**623,724**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis of the allocation of premises overheads and other overheads is shown in note 5.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

continued...

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Gifts and donations	10,674	5,975
HMRC Covid SSP	2,746	-
Grants	66,972	141,522
	80,392	147,497

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
Job Retention Scheme Grant	66,972	-
Other grants	-	141,522
	66,972	141,522

3. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Fundraising events	860	372

4. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Interest receivable	941	1,136

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.22	31.3.21
		£	£
Supported living services	Supported Living	2,728,701	2,494,630
Social Learning Outreach Income	Supported Living	322,738	347,613
		3,051,439	2,842,243

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Supported Living	2,407,382	587,072	2,994,454

continued...

7. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Supported Living	**365,119**	**133,752**	**81,222**	**6,979**	**587,072**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Auditors' remuneration	**4,669**	3,875
Depreciation - owned assets	**11,332**	22,641

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

10. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	**2,405,179**	2,256,653
Social security costs	**205,629**	184,389
Other pension costs	**56,578**	57,128
	2,667,386	2,498,170

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Charitable activity staff	**103**	112

No employees received emoluments in excess of £60,000.

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2021	**75,789**	**89,870**	**165,659**
Additions	**-**	**4,501**	**4,501**
At 31 March 2022	**75,789**	**94,371**	**170,160**
DEPRECIATION			
At 1 April 2021	**70,736**	**59,000**	**129,736**
Charge for year	**5,053**	**6,279**	**11,332**
At 31 March 2022	**75,789**	**65,279**	**141,068**
NET BOOK VALUE			
At 31 March 2022	**-**	**29,092**	**29,092**
At 31 March 2021	5,053	30,870	35,923

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade debtors	**289,913**	167,000
Other debtors	**15,790**	14,025
Prepayments	**17,078**	17,116
	322,781	198,141

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Pensions	**12,535**	8,685
Other creditors	**103,498**	140,674
Accruals and deferred income	**126,407**	95,921
	242,440	245,280

14. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	**576,650**	**98,889**	**675,539**
Restricted funds			
Caravan Fund	**17,329**	**(972)**	**16,357**
Workforce Retention Fund	**-**	**36,275**	**36,275**
The Big Give	**-**	**4,986**	**4,986**
	17,329	**40,289**	**57,618**
TOTAL FUNDS	**593,979**	**139,178**	**733,157**

continued...

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**3,071,834**	**(2,972,945)**	**98,889**
Restricted funds			
Caravan Fund	**5,404**	**(6,376)**	**(972)**
Workforce Retention Fund	**51,408**	**(15,133)**	**36,275**
The Big Give	**4,986**	**-**	**4,986**
	61,798	**(21,509)**	**40,289**
TOTAL FUNDS	**3,133,632**	**(2,994,454)**	**139,178**

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	395,057	193,113	(11,520)	576,650
Restricted funds				
Caravan Fund	21,600	521	(4,792)	17,329
Covid support	-	(19,312)	19,312	-
Making Conversation	-	3,000	(3,000)	-
	21,600	(15,791)	11,520	17,329
TOTAL FUNDS	416,657	177,322	-	593,979

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,913,891	(2,720,778)	193,113
Restricted funds			
Caravan Fund	6,323	(5,802)	521
Covid support	61,049	(80,361)	(19,312)
Workforce Capacity	6,985	(6,985)	-
Making Conversation	3,000	-	3,000
	77,357	(93,148)	(15,791)
TOTAL FUNDS	2,991,248	(2,813,926)	177,322

continued...

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

16. UNRESTRICTED FUNDS

General fund - This fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

17. RESTRICTED FUNDS

Caravan Fund
The fund was set up following consultation with beneficiaries of the charity and their families. The provision of accessible holidays and short breaks were identified as a valuable service that would benefit many.

Receipt of a restricted donation, together with general fundraising gave the charity the opportunity to purchase a 6 berth fully accessible caravan at Lyons Holiday Parks in Toywn, North Wales. It has been a hugely successful acquisition, giving well deserved opportunity and benefit to those we support.

Covid 19 Support
Grants received in respect of helping towards statutory sick pay whilst self isolating and help towards temporary staff cover and overtime. This grant is also to help towards additional costs of PPE and costs incurred for essential needs to service providers.

Workforce Capacity
Grant received to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity.

Making Conversations
Grant received to provide 6 x 90 minute online/virtual creative arts programmes incorporating dialogues/deep listening for staff wellbeing.

18. TRANSFERS

Transfer between General fund and Caravan fund represents expenses paid towards caravan costs.

There have been transfers during the year between the General unrestricted fund and restricted funds to fully expend all grant income received against expenditure set out within the terms of agreement.

NATURAL BREAKS LIMITED

England & Wales - Charity number 1168733

Accounts

Company No: 02996621
Charity No: 1168733

Report of the Trustees and Financial Statements for the Year Ended 31 March 2021 for Natural Breaks Limited

S B & P
Oriel House
2-8 Oriel Road
Bootle
Merseyside
L20 7EP
sb-p.co.uk

Natural Breaks Limited

Contents of the Financial Statements
for the Year Ended 31 March 2021

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 13
Statement of Financial Activities	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Statement of Cash Flows	17
Notes to the Financial Statements	18 to 24

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve the needs of adults and children with disabilities and their carers residing in the North West of England by:

- Providing help, support and guidance.
- Promoting health and well being through supporting individuals to lead full and active lives.
- Providing supported holidays.
- Providing opportunities for respite.

Mission

We believe living an ordinary life can be extraordinary. Our mission is to work with people with disabilities, their families, commissioners and our strategic partners

- to develop and deliver excellent personalised services,
- providing the highest standards of support and care,
- and best value for money

so that people with disabilities and complex needs and their families can live more fulfilling and inclusive lives.

Values

Our mission is underpinned by the way we work which is:

- Person Centeredness
  Ensuring that each service is delivered in a way which reflects the needs and desires of the individual. We will stick with people in good times and bad times: listening to and learning from any compliments or complaints.
- Openness & Honesty
  Transparency will be evident in the way Natural Breaks conducts its business. We will consistently strive to improve communication and keep people informed: operating at all times with integrity.
- Respect
  We will pay due attention, consideration and regard to all our stakeholders i.e. by dealing with people in a way which will empower them and by being truthful, fair and just.
- Loyalty
  We aim to demonstrate loyalty: proving ourselves to be reliable, dependable and steadfast in our devotion to quality services.
- Commitment
  We undertake to deliver quality services which will set a benchmark in quality and consistency whilst at the same time offering best value.
- Sensitivity
  We aim to be prepared so as to respond to any changes which may have an effect on any of our stakeholders and deal with these in a thoughtful and understanding way.
- Equality
  We will demonstrate our commitment to equality by ensuring fair access to all, irrespective of age; disability gender; sexual orientation; religion, colour or ethnicity and respecting difference and celebrating diversity and all that it will bring to enrich our work.
- Environmentally Friendly
  We will endeavour to use ethically sound products and play our part in protecting the environment by the conservation of energy and by recycling our waste whenever possible.

Our key business objectives for 2020-2021:

As a result of Covid-19 the trustees decided the objectives for 2020-21 must focus firstly on continuing to provide our services on a Covid-19 safe and secure way, to then assess what future needs will be and to then deliver the 'new normal'. In parallel with these, the trustees remained committed to building on the achievements of previous years and delivering our mission to more people. Natural Breaks started in the early 1990's and throughout nearly 30 years has adapted to change whilst not losing sight of our mission and core values.

Our key business objectives for 2020/2021 were as follows:

- To assess the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance to deliver services in a Covid-19 safe and secure way.
- To provide value for money to the people and organisations who commission our services
- To maintain our position as a Tier 1 provider for Liverpool Adult Social Services and be a preferred supplier with all local authorities in the areas where we operate

- To complete a strategic review of the future needs of people we support for Social & Learning/Community based services
- To design and deliver innovative Social & Learning/Community based services, in conjunction with commissioner's plans for the sector
- To deliver the financial sustainability plan to ensure available Covid-19 funding and reliefs are utilised, to increase income generation and to tightly manage expenditure
- To implement 'The Natural Breaks Way' programme so that our values and behaviours are practiced by every single member of Natural Breaks and embedded in our policies and procedures
- To build on our Investors In People generation 6 standard accreditation and prepare for 2021 renewal
- To develop person centred business plans for the 'new normal'
- To recruit a fundraiser and increasing our fundraising capabilities to keep fulfilling our charitable purposes
- To develop innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services

Significant activities
Supported Living - we support 26 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.
Social and Learning - we work with 36 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

The delivery of our activities in 2020/21 was carefully managed in view of the Covid-19 pandemic and this careful approach continues. From the outset, we reviewed all services we provide using a RAG rating and worked with commissioners, people we support and their families to assess the impact of Covid-19 measures on them and prioritise their needs alongside our workforce's availability. We followed, and continue to follow, guidance from HM Government closely on a daily basis and keep abreast of guidance from Public Health England and NHS England, particularly in relation to infection control, good hygiene and steps to reduce risk of catching or spreading Covid-19, including social distancing, testing, promoting vaccinations and self-isolation. We also follow sector guidance including from the Care Provider Alliance (CPA) and Care Quality Commission (CQC) and attend regular provider forums set up locally in response to the pandemic.

We continued to deliver all supported living services and, in conjunction with families and commissioners, some social and learning services in accordance with our RAG system.

The pandemic lock-downs restricted availability of 'The Breakers' accessible caravan in North Wales. Nevertheless, people we support and other people with disabilities, plus their families or carers used the caravan, some more than once.

Delivery of our other significant activities i.e. Out and About (a service which is similar to Social and Learning support, but where people can be safely supported in small groups) and the Newquay Holiday (provided with Liverpool Lions and Newquay Lions) could not take place.

Our normal events programme; excursions, trips to local landmarks and group activity sessions was severely curtailed by the pandemic. However, we assessed how we could use technology innovatively and introduced new virtual events to keep people we support, their friends and families in touch and engaged through:

- Weekly 'Cuppa with the CEO and a catch up' sessions
- Virtual quizzes
- Singalong sessions with guest musicians
- Chair exercise classes
- Sharing their experiences during lockdown on Twitter
- Virtual tea-parties with goodies dropped off at peoples' homes
- A virtual Christmas Party and Disco where all the people we support were mailed gift bags and other goodies to open in the Zoom party.

We also introduced other ways to keep in contact (e.g. through regular phone calls and/or Facetime, by dropping off shopping, sending keeping in touch postcards) and to lift spirits (e.g. providing gazebos, beanbags, benches and garden games).

Public benefit
In setting our objectives and planning our activities the trustees have considered the Charity Commission's general guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 March 2021 our key achievements were as follows:
- Continuing to provide quality services to the people we support and their families and carers, despite the well documented challenges the sector faced due to the Covid-19 pandemic. The Care Quality Commission's approach to inspections of providers' services changed but our rating remains GOOD. The last full inspection in May 2019 focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas. The inspector commented:

...'People were positive about the care and support they received from Natural Breaks'
...'Staff were caring and always promoted people's dignity and independence'
...'People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
...'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
...'Risks which compromised people's health and well-being were appropriately assessed...and contained a high level of detailed information'

- Maintaining Tier 1 provider status with Liverpool Adult Social Services. In their last compliance review (pre-Covid-19) the commissioner's stated '...The Client Monitoring Framework was well evidenced and presented and officers attending the on-site visit spoke very positively about the service.'
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Delivering our financial sustainability plan, which enabled us to increase income and reduce our costs whilst increasing our pay rates for lower paid staff so that we continue to pay above the national minimum wage.
- Using the Positive Behavioural Support skills and knowledge[1] in our senior management team to design and deliver a service for a person with most complex needs transitioning from child to adult social care. A subsequent multi-disciplinary team (MDT) review commented '...Natural Breaks have completely transformed for the better this person's life and the life of their family
- Working with a group of people we support in one property, their families, Adult Social Care and housing providers to identify more bespoke 2/3 person houses whilst keeping in the same local area. The programme to secure and refurbish houses started in Summer 2020 and everyone will have moved by Autumn 2021.
- Addressing workforce mental health and well-being issues reported in the sector, by engaging external specialists to help formulate our staff well-being strategy. The project kicked off with a Staff Well-being Audit and a full staff survey to inform the strategy is planned for 2021. This work will run alongside implementation of 'The Natural Breaks Way' - our values and behaviours - and renewal of our Investors in People accreditation.

[1] One of our senior managers is a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team hold PBS practitioner status

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Trustees want to use this part of the annual report to express their gratitude to the following for supporting us through the Covid-19 pandemic by making and donating PPE, including a donation of 3D printed masks:

- Merchant Taylors' School
- Upton Hall School
- Formby High School
- Range High School
- Unilever
- Alan Cunningham
- Delamere Café
- our staff, families and friends and the broader local community

The Trustees also want to thank Peter Kinsella, local restaurateur and owner of Lunya for donating 120 frozen meals for our staff.

Covid-19 largely curtailed our fundraising for 2020-21 but, nevertheless we were able to undertake some activities. We raised £6,348 mainly through the following:

- a donation from the mother of a person we supported for many years who sadly passed away in 2020
- other donations from individuals connected with our staff, trustees and friends and families of people we support
- our Chair starting a 'Run 1000km for £1000' challenge in December 2020 and due to complete in 2021
- joining AmazonSmile and easyfundraising schemes to generate income when our supporters use these for on-
- line shopping

Our website, fully launched in 2018, has excellent, secure fundraising functionality and is the prime method for receiving donations.

We suspended our search for a fundraiser but intend to continue looking for the right calibre of person to increase our fundraising capacity from 2022 onwards.

Natural Breaks has registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We do not use professional fundraisers or commercial participators. All events are managed by a nominated employee and all funds raised are managed by our Finance Manager. The very nature of our charity brings us into contact with vulnerable people and we have robust safeguarding and professional boundaries policies. We have had no complaints about fundraising by our charity.

Internal and external factors

The trustees are delighted with the performance of our Chief Executive, Diane Hesketh, in an unprecedented year when Covid-19 struck the UK. From the early days, when so little about the virus was known and guidance from commissioners and public bodies in respect of supported living settings and social and learning support was understandably embryonic, Diane's leadership was exceptional. Diane established what was to become a virtual 'situation room', mobilised the senior management team to carry out impact assessments on all the people we support (subsequently shared with commissioners), capture real time staff availability and set in operation measures to ensure we continued to deliver supported living services and, in agreement with commissioners and families, direct support to some people who use our social and learning services. Throughout the pandemic, we have made effective communication a high priority with early briefings for people we support, families and staff setting the tone and building trust that has proved long-lasting with high satisfaction levels.

The Trustees want to place on record their thanks for the role played by our commissioners. The financial support given throughout 2020-21 helped provide certainty of cashflow and to meet the extra costs of delivering services. Beyond financial support, our main commissioner - Liverpool City Council - also took a central role in coordinating and addressing providers' needs, for example, in the creation of a PPE supplies hub.

In the 2018-19 report we outlined our approach following the Court ruling in favour of Mencap in the case of sleep-in back pay that overturned an employment tribunal which ruled that workers were entitled to National Minimum Wage (NMW) for every hour of a sleep-in shift. That appeal has now been heard and a decision made. Natural Breaks does have staff who work sleep-ins and, following the decisions by our commissioners to freeze, review and consult with providers on fee structures, the Trustees decided to maintain sleep-in rates at 2020 levels. Discussions with commissioners are on-going.

FINANCIAL REVIEW

Financial position

The actions in our Financial Sustainability Plan, first introduced by the Trustees in 2018-19, continued through 2020-21 and was updated to include a number of Covid-19 specific actions (e.g. utilising Covid-19 funding and reliefs from HM Government and commissioners). Overall, the organisation recorded a surplus of 5.9% which was better than forecast in the plan. Our income grew by a modest 2.9% but, through careful management of resources (e.g. yet again we delivered our services without recourse to agency staffing) and tight control of costs, our expenditure reduced by 2.6%. The Trustees note that support costs as a percentage of total expenditure increased slightly from 2019-20 but closer inspection confirms this is mainly attributable to Covid-19 support expenditure and our office rent review but otherwise the trend is downwards.

The trustees have agreed a further financial sustainability plan for 2021-22 with a number of actions identified, initiatives to increase overall income and measures to tightly control costs.

Principal funding sources

Our principal funding in 2020-21 came from commissioners in the local authorities of Liverpool and Sefton. Other funding came from direct payments by people we support, their families and carers.

Covid-19 measures affected some of the services we are able to provide, mainly in respect of social and learning activities. However, the commissioners recognised the potential financial problems all providers in the sector could face and continued with pre Covid-19 funding levels and access to a Covid-19 grant. Natural Breaks utilised these arrangements thereby allowing us to keep staff employed, purchase PPE and procure supportive technology such as iPads for people we support to use and generally enhance organisation technology and digital platforms.

There were restricted grants and funds received in 2020-21 amounting to £77,357 in respect of funding for towards the impact of Covid-19 costs and for the caravan.

Investment policy and objectives

Funds that are surplus to requirements in the short term are kept in notice-based interest-bearing accounts. Natural Breaks does not have any other investments.

Reserves policy

Natural Breaks is determined to keep a level of reserves commensurate with balancing the need to release funds with the need to retain sufficient funds for an orderly, compliant closure and redundancy costs. The calculation of average monthly operating costs includes all recurring predictable expenses such as redundancy for office-based staff, salaries, tax/NI and rent. A breakdown is held with the organisation's Reserve policy.

The level of reserves at 31 March 2021 has increased to £593,979. The trustees believe that it is appropriate in view of the general post pandemic economic uncertainty in the sector, pressures on income and increasing staff costs. The reserves policy will be kept under regular review.

FUTURE PLANS

The trustees recognise the challenges Natural Breaks faces in delivering social care in a nation recovering from the Covid-19 pandemic and in a sector facing a workforce crisis. Our plans will always seek to balance the pressures on income, with the expectations of people we support and their families and carers, with the need to excel in regulatory requirements and meet the needs to reward and develop our staff.

The changes to the company infrastructure and the financial sustainability actions introduced in previous years have placed the organisation in ideal shape to expand the range of services and activities we can provide in future years. Our plans for 2021-22 continue this journey and include:

- Ensuring we continue delivering services in a Covid-19 safe and secure way by assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance
- Implementing 'The Natural Breaks Way' programme so our values and behaviours are practiced by every single member of Natural Breaks and embedded in our policies and procedures
- Successfully renewing our Investors In People generation 6 standard accreditation
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Implementing changes to our pay and benefits, terms and conditions, health and wellbeing support
- Reviewing how the services we provide fit with the 'a life not a service' concept and identifying how we could address those other needs
- Increasing our fundraising capabilities
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Natural Breaks activities started in 1992 and was incorporated as a not-for-profit company limited by guarantee in 1994. In August 2016 it became a registered charity.

Recruitment and appointment of new trustees

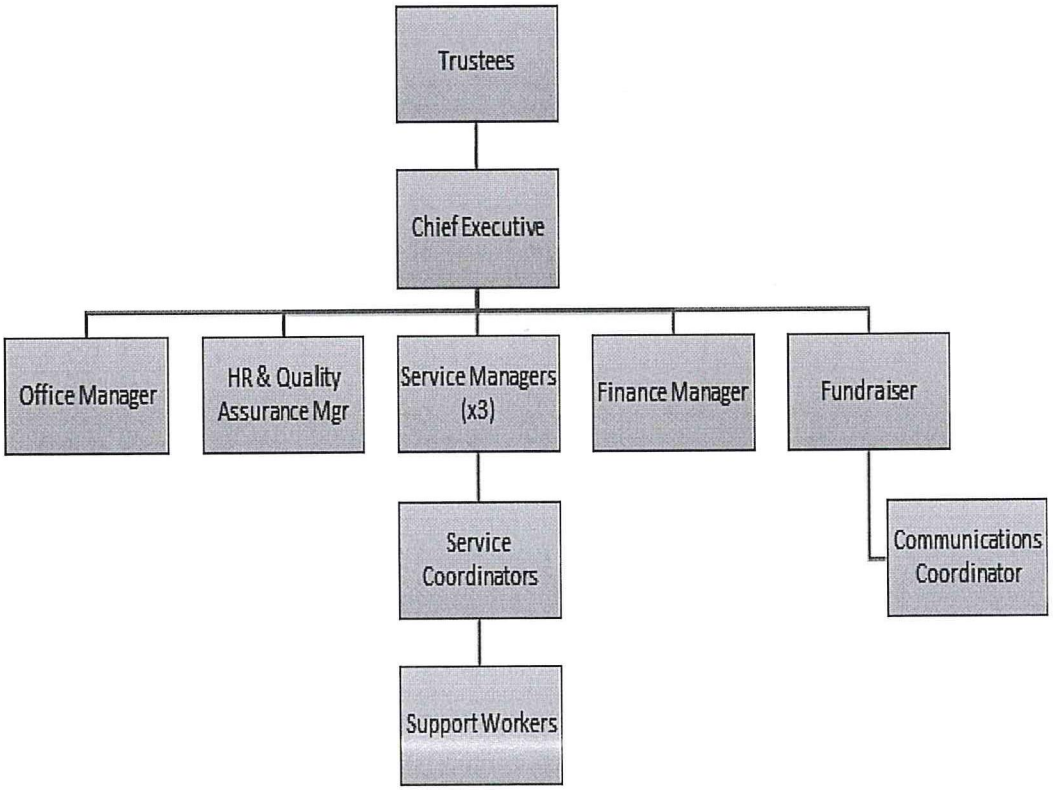
The Articles allow for up to 9 trustees (minimum 2). At the time of this report, the Board had 5 trustees, including its chair.

Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

Trustees are elected by the members of the charity and one third, by rotation, each year must retire and can stand for re-election. The trustees have discretion to admit into membership of the charity individuals who support the objects of Natural Breaks. Constant regard is paid to the skills mix of the trustees to ensure they all have the necessary skills to contribute fully to the charity's development.

Organisational structure

The organisation structure at 31st March 2021 was as follows:



STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The board of trustees meets bi-monthly. The board is supported by the following committees, with defined terms of reference, and which meet throughout the year:

- Governance and Safeguarding
- Finance
- Business and Marketing

The chief executive and senior managers attend, and provide reports to, regular meetings of the board of trustees and the committees. This enables the business of Natural Breaks, including strategy development and governance, to be undertaken collaboratively.

The chief executive manages the day to day business within defined authority delegated by the trustees. The delegated authority is reviewed quarterly and covers activities that can be undertaken without the trustees' specific agreement, for example:

- Size and scope of services that can be procured.
- Fundraising.
- Staff policies.
- Staff remuneration.
- Budget and expenditure.
- Procurement of assets.
- Contractual obligations and liabilities.

Induction and training of new trustees

On becoming a trustee, trustees are briefed by the chair on their responsibilities as a trustee. They are briefed by their co-trustees and chief executive on the history of Natural Breaks, the operational management of the charity, current objectives and future plans. The trustees are encouraged to attend any courses which they feel are relevant to the development of their role and keep up to date on any changes in legislation. All the directors at the time Natural Breaks became a charity undertook independent training in the 'roles and responsibilities of trustees' and members of the Finance Committee undertook 'financial awareness' training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Governance Committee regularly review the strategic risk register and have identified key risks and determined their mitigation. Reflecting the continuing impact of the Covid-19 pandemic, these include:

1 Competition from similar organisations, with an emerging factor being those paying higher wages. Mitigation - The Trustees are conducting a review of our position in the local market and developing options to improve the charity's reward and recognition package. Developments in adult social care in the Merseyside area and all requests for new services are logged and outcomes are reported to the Business & Marketing Committee. Families and carers are surveyed regularly and their feedback acted upon.

2 Over dependency on one key supplier. Mitigation - Opportunities to provide services in boroughs outside Liverpool are monitored. Work will continue to develop additional sources in 2021-22.

3 Employment issues, such as those potentially arising from the MENCAP sleep-in decision and from Covid-19 testing and vaccination strategy. Mitigation - Our Chief Executive and senior managers regularly hold staff forums, briefing staff on developments, receiving feedback and building team spirit. For example;

- Employee health and well-being is a priority area for the organisation. Covid-19 individual welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. We have commissioned an external company, who work with us for Investors in People, to undertake a Wellbeing audit, develop a Wellbeing Strategy and roll out relevant wellbeing training including Mental Health First Aid in 2021-22.
- Sleep-in payments, we had paid at NMW. Following the MENCAP appeal decision, commissioned rates were frozen pending consultation in the local sector and Trustees decided to do likewise with pay. Staff have been briefed and when the results of the consultation are known, these will be carried through to pay.

4 Cash flow sensitivities. Mitigation - The cash flow forecast for 2021-22 is reviewed by the Finance Committee.

5 Dependency on income from local authorities. Mitigation - The trustees are aware of comments made by local authorities about the impact of Covid-19 on their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored.

6 Compliance with legislation and regulations, specifically;

a Arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. Mitigation - We worked closely with commissioners, housing providers and Merseyside Fire & Rescue to implement all the immediate requirements satisfactorily. Medium and longer term requirements for providers and partners are emerging and are being reported to the Trustees through the Governance & Safeguarding Committee.

b Covid-19. Mitigation - Our registered manager attends the CQC briefings and senior managers attend the regular briefings by commissioners. Our Chief Executive regularly attends VODG meetings to aid keeping abreast of sector specific developments. HM Government, public health and regulatory requirements and guidelines for Covid-19 PPE, safe working practices and standards required for a Covid Safe Workplace are monitored by senior management and implemented across all services and offices. Our Infection Control policy is strictly adhered to and training provided. People we support have; individual care plans which state pathways to healthcare, health passports and 'grab and go' NHS learning disability template in case of hospital admission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02996621 (England and Wales)

Registered Charity number
1168733

Registered office
Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees
K C Lloyd
J Steen
I Meyer
Mrs J Erskine
R Itiokiet

Company Secretary
Mrs K Burke

Auditors
SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Natural Breaks Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 6/12/2021 and signed on its behalf by:

K C Lloyd - Trustee

Opinion
We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (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 March 2021 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 Companies Act 2006.

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 UK, including the FRC'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.

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 Report of the Independent Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors 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:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

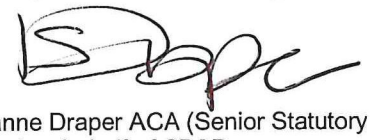
In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, UK corporate tax laws, UK employment laws and UK health and safety regulations.
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management, reviewing the board meeting minutes, reviewing the Company's accident book, reviewing the schedule of ongoing and potential claims against the Company including those notified to their insurers, and reviewing the legal costs incurred in the year and enquiring with management to the circumstances around these legal costs.
- We assessed the susceptibility of the Company's financial statements to materiality misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Draper ACA (Senior Statutory Auditor)
for and on behalf of SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 13/12/21

Natural Breaks Limited

Statement of Financial Activities
for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	**31.3.21 Total funds £**	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**70,487**	**77,010**	**147,497**	5,972
Charitable activities	5				
Supported Living		**2,842,243**	**-**	**2,842,243**	2,881,818
Other trading activities	3	**25**	**347**	**372**	16,803
Investment income	4	**1,136**	**-**	**1,136**	2,365
Total		**2,913,891**	**77,357**	**2,991,248**	2,906,958
EXPENDITURE ON					
Charitable activities	6				
Supported Living		**2,720,777**	**93,149**	**2,813,926**	2,888,625
NET INCOME/(EXPENDITURE)		**193,114**	**(15,792)**	**177,322**	18,333
Transfers between funds	15	**(11,520)**	**11,520**	**-**	-
Net movement in funds		**181,594**	**(4,272)**	**177,322**	18,333
RECONCILIATION OF FUNDS					
Total funds brought forward		**395,057**	**21,600**	**416,657**	398,324
TOTAL FUNDS CARRIED FORWARD		**576,651**	**17,328**	**593,979**	416,657

The notes form part of these financial statements

Statement of Financial Position
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	11	**18,643**	**17,280**	**35,923**	56,932
CURRENT ASSETS					
Debtors	12	**197,091**	**1,050**	**198,141**	195,406
Cash at bank		**605,146**	**49**	**605,195**	346,859
		802,237	**1,099**	**803,336**	542,265
CREDITORS					
Amounts falling due within one year	13	**(244,230)**	**(1,050)**	**(245,280)**	(182,540)
NET CURRENT ASSETS		**558,007**	**49**	**558,056**	359,725
TOTAL ASSETS LESS CURRENT LIABILITIES		**576,650**	**17,329**	**593,979**	416,657
NET ASSETS		**576,650**	**17,329**	**593,979**	416,657
FUNDS	15				
Unrestricted funds				**576,650**	395,057
Restricted funds				**17,329**	21,600
TOTAL FUNDS				**593,979**	416,657

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

The financial statements were approved by the Board of Trustees and authorised for issue on 6/12/2021 and were signed on its behalf by:

.....
K C Lloyd - Trustee

The notes form part of these financial statements

Natural Breaks Limited

Statement of Cash Flows
for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	**258,865**	20,943
Net cash provided by operating activities		**258,865**	20,943
Cash flows from investing activities			
Purchase of tangible fixed assets		**(1,632)**	(29,881)
Interest received		**1,136**	2,365
Net cash used in investing activities		**(496)**	(27,516)
Change in cash and cash equivalents in the reporting period		**258,369**	(6,573)
Cash and cash equivalents at the beginning of the reporting period	2	**346,826**	353,399
Cash and cash equivalents at the end of the reporting period	2	**605,195**	346,826

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.21 £	31.3.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	**177,322**	18,333
Adjustments for:		
Depreciation charges	**22,642**	24,312
Interest received	**(1,136)**	(2,365)
Increase in debtors	**(2,735)**	(31,294)
Increase in creditors	**62,772**	11,957
Net cash provided by operations	**258,865**	20,943

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.21 £	31.3.20 £
Notice deposits (less than 3 months)	**605,195**	346,859
Overdrafts included in bank loans and overdrafts falling due within one year	**-**	(33)
Total cash and cash equivalents	**605,195**	346,826

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	**346,859**	**258,336**	**605,195**
Bank overdraft	**(33)**	**33**	**-**
	346,826	**258,369**	**605,195**
Total	**346,826**	**258,369**	**605,195**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis of the allocation of premises overheads and other overheads is shown in note 5.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

continued...

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Gifts and donations	5,975	5,972
Grants	141,522	-
	147,497	5,972

Grants received, included in the above, are as follows:

	31.3.21	31.3.20
	£	£
Other grants	141,522	-

3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Fundraising events	372	16,803

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Interest receivable	1,136	2,365

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.21	31.3.20
		£	£
Supported living services	Supported Living	2,494,630	2,364,318
Social Learning Outreach Incom e	Supported Living	347,613	517,500
		2,842,243	2,881,818

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Supported Living	2,245,267	568,659	2,813,926

continued...

7. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Supported Living	**313,401**	**160,048**	**89,235**	**5,975**	**568,659**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Auditors' remuneration	**3,875**	3,435
Depreciation - owned assets	**22,641**	24,312

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

10. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	**2,256,653**	2,383,541
Social security costs	**184,389**	178,899
Other pension costs	**57,128**	62,174
	2,498,170	2,624,614

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
Charitable activity staff	**112**	122

No employees received emoluments in excess of £60,000.

continued...

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2020	**75,789**	**88,238**	**164,027**
Additions	**-**	**1,632**	**1,632**
At 31 March 2021	**75,789**	**89,870**	**165,659**
DEPRECIATION			
At 1 April 2020	**55,578**	**51,517**	**107,095**
Charge for year	**15,158**	**7,483**	**22,641**
At 31 March 2021	**70,736**	**59,000**	**129,736**
NET BOOK VALUE			
At 31 March 2021	**5,053**	**30,870**	**35,923**
At 31 March 2020	20,211	36,721	56,932

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade debtors	**167,000**	139,921
Other debtors	**14,025**	44,645
Prepayments	**17,116**	10,840
	198,141	195,406

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Bank loans and overdrafts (see note 14)	**-**	33
Pensions	**8,685**	9,423
Other creditors	**140,674**	77,778
Accruals and deferred income	**95,921**	95,306
	245,280	182,540

14. LOANS

An analysis of the maturity of loans is given below:

	31.3.21 £	31.3.20 £
Amounts falling due within one year on demand:		
Bank overdrafts	**-**	33

continued...

15. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	**395,057**	**193,113**	**(11,520)**	**576,650**
Restricted funds				
Caravan Fund	**21,600**	**521**	**(4,792)**	**17,329**
Covid support	**-**	**(19,312)**	**19,312**	**-**
Making Conversation	**-**	**3,000**	**(3,000)**	**-**
	21,600	**(15,791)**	**11,520**	**17,329**
TOTAL FUNDS	**416,657**	**177,322**	**-**	**593,979**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**2,913,891**	**(2,720,778)**	**193,113**
Restricted funds			
Caravan Fund	**6,323**	**(5,802)**	**521**
Covid support	**61,049**	**(80,361)**	**(19,312)**
Workforce Capacity	**6,985**	**(6,985)**	**-**
Making Conversation	**3,000**	**-**	**3,000**
	77,357	**(93,148)**	**(15,791)**
TOTAL FUNDS	**2,991,248**	**(2,813,926)**	**177,322**

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	398,324	(939)	(2,328)	395,057
Restricted funds				
Caravan Fund	-	19,272	2,328	21,600
TOTAL FUNDS	398,324	18,333	-	416,657

continued...

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,880,574	(2,881,513)	(939)
Restricted funds			
Caravan Fund	26,384	(7,112)	19,272
TOTAL FUNDS	2,906,958	(2,888,625)	18,333

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

17. UNRESTRICTED FUNDS

General fund - This fund may be used at the discretion of the board of trustees in furtherance of the charitable company's objects.

18. RESTRICTED FUNDS

Caravan Fund
The fund was set up following consultation with beneficiaries of the charity and their families. The provision of accessible holidays and short breaks were identified as a valuable service that would benefit many.

Receipt of a restricted donation, together with general fundraising gave the charity the opportunity to purchase a 6 berth fully accessible caravan at Lyons Holiday Parks in Toywn, North Wales. It has been a hugely successful acquisition, giving well deserved opportunity and benefit to those we support.

Covid 19 Support
Grants received in respect of helping towards statutory sick pay whilst self isolating and help towards temporary staff cover and overtime. This grant is also to help towards additional costs of PPE and costs incurred for essential needs to service providers.

Workforce Capacity
Grant received to enable local authorities to deliver measures to supplement and strengthen adult social care staff capacity.

Making Conversations
Grant received to provide 6 x 90 minute online/virtual creative arts programmes incorporating dialogues/deep listening for staff wellbeing.

continued...

19. TRANSFERS

Transfer between General fund and Caravan fund represents expenses paid towards caravan costs.

There have been transfers during the year between the General unrestricted fund and restricted funds to fully expend all grant income received against expenditure set out within the terms of agreement.