

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

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for the Year Ended 31 March 2023**

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Natural Breaks Limited

Report of the Trustees for the Year Ended 31 March 2023

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.

Natural Breaks Limited

Report of the Trustees for the Year Ended 31 March 2023

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 knowledge¹ 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.

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.

Natural Breaks Limited

Report of the Trustees for the Year Ended 31 March 2023

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.

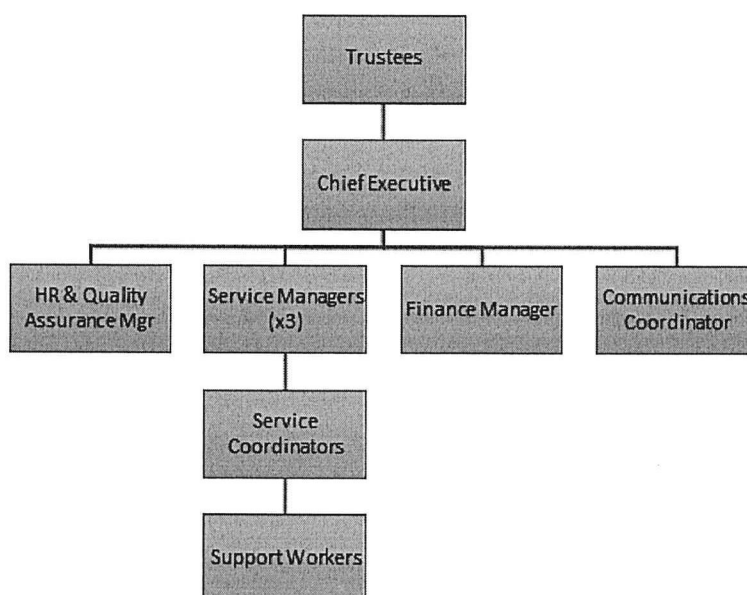
Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

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

Natural Breaks Limited

Report of the Trustees for the Year Ended 31 March 2023

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.

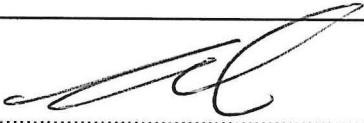
In so far as the trustees are aware:

- 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 on4/12/23..... and signed on its behalf by:

Natural Breaks Limited

Report of the Trustees
for the Year Ended 31 March 2023



.....
K C Lloyd - Trustee

Report of the Independent Auditors to the Members of Natural Breaks Limited

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.

Report of the Independent Auditors to the Members of Natural Breaks Limited

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.

Report of the Independent Auditors to the Members of Natural Breaks Limited

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).

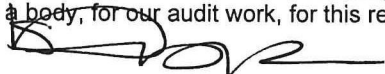
In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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		<u>3,356,295</u>	<u>11,701</u>	<u>3,367,996</u>	<u>3,133,632</u>
EXPENDITURE ON					
Charitable activities	6				
Supported Living		<u>3,349,178</u>	<u>16,203</u>	<u>3,365,381</u>	<u>2,994,454</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	15	7,117 <u>32,095</u>	(4,502) <u>(32,095)</u>	2,615 <u>-</u>	139,178 <u>-</u>
Net movement in funds		39,212	(36,597)	2,615	139,178
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>675,539</u>	<u>57,618</u>	<u>733,157</u>	<u>593,979</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>714,751</u></u>	<u><u>21,021</u></u>	<u><u>735,772</u></u>	<u><u>733,157</u></u>

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		<u>601,939</u>	<u>9,512</u>	<u>611,451</u>	<u>623,724</u>
		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		<u>700,077</u>	<u>9,962</u>	<u>710,039</u>	<u>704,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>714,751</u>	<u>21,021</u>	<u>735,772</u>	<u>733,157</u>
NET ASSETS		<u>714,751</u>	<u>21,021</u>	<u>735,772</u>	<u>733,157</u>
FUNDS	15				
Unrestricted funds				714,751	675,539
Restricted funds				<u>21,021</u>	<u>57,618</u>
TOTAL FUNDS				<u>735,772</u>	<u>733,157</u>

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

The notes form part of these financial statements

Natural Breaks Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2023

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	<u>(12,660)</u>	<u>22,089</u>

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	<u>623,724</u>	<u>(12,273)</u>	<u>611,451</u>
	<u>623,724</u>	<u>(12,273)</u>	<u>611,451</u>
Total	<u>623,724</u>	<u>(12,273)</u>	<u>611,451</u>

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 entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Natural Breaks Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

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	<u>5,303</u>	<u>66,972</u>
	<u>27,015</u>	<u>80,392</u>

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

	31.3.23	31.3.22
	£	£
Job Retention Scheme Grant	<u>5,303</u>	<u>66,972</u>

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Fundraising events	<u>675</u>	<u>860</u>

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Interest receivable	<u>2,983</u>	<u>941</u>

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	<u>365,035</u>	<u>322,738</u>
		<u>3,337,323</u>	<u>3,051,439</u>

Natural Breaks Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

6. CHARITABLE ACTIVITIES COSTS

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

7. SUPPORT COSTS

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

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	<u>5,955</u>	<u>11,332</u>

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	<u>71,007</u>	<u>56,578</u>
	<u>3,076,408</u>	<u>2,667,386</u>

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

	31.3.23	31.3.22
Charitable activity staff	<u>108</u>	<u>103</u>

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

Natural Breaks Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

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	<u>75,789</u>	<u>96,967</u>	<u>172,756</u>
DEPRECIATION			
At 1 April 2022	75,789	65,279	141,068
Charge for year	-	5,955	5,955
At 31 March 2023	<u>75,789</u>	<u>71,234</u>	<u>147,023</u>
NET BOOK VALUE			
At 31 March 2023	<u>-</u>	<u>25,733</u>	<u>25,733</u>
At 31 March 2022	<u>-</u>	<u>29,092</u>	<u>29,092</u>

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	<u>18,767</u>	<u>17,078</u>
	<u>325,553</u>	<u>322,781</u>

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	<u>95,189</u>	<u>126,407</u>
	<u>226,965</u>	<u>242,440</u>

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	<u>54,768</u>	<u>-</u>
	<u>109,536</u>	<u>-</u>

Natural Breaks Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

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
	<u>57,618</u>	<u>(4,502)</u>	<u>(32,095)</u>	<u>21,021</u>
TOTAL FUNDS	<u>733,157</u>	<u>2,615</u>	<u>-</u>	<u>735,772</u>

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
	<u>11,701</u>	<u>(16,203)</u>	<u>(4,502)</u>
TOTAL FUNDS	<u>3,367,996</u>	<u>(3,365,381)</u>	<u>2,615</u>

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
	<u>17,329</u>	<u>40,289</u>	<u>57,618</u>
TOTAL FUNDS	<u>593,979</u>	<u>139,178</u>	<u>733,157</u>

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
	<u>61,798</u>	<u>(21,509)</u>	<u>40,289</u>
TOTAL FUNDS	<u>3,133,632</u>	<u>(2,994,454)</u>	<u>139,178</u>

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.

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	<u>5,303</u>	<u>66,972</u>
	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	<u>365,035</u>	<u>322,738</u>
	<u>3,337,323</u>	<u>3,051,439</u>
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	<u>4,448</u>	<u>30,458</u>
	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	<u>6,238</u>	<u>15,133</u>
	454,544	365,119
Office costs		
Insurance	18,784	18,752
Carried forward	18,784	18,752

This page does not form part of the statutory financial statements

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
	<u>136,445</u>	<u>133,752</u>
Premises costs		
Rent, rates & dilapidation	43,142	69,890
Improvements to property depreciation	-	5,053
Fixtures and fittings depreciation	<u>5,955</u>	<u>6,279</u>
	<u>49,097</u>	<u>81,222</u>
Governance costs		
Auditors' remuneration	5,799	4,669
Accountancy fees	<u>2,430</u>	<u>2,310</u>
	<u>8,229</u>	<u>6,979</u>
Total resources expended	<u>3,365,381</u>	<u>2,994,454</u>
Net income	<u>2,615</u>	<u>139,178</u>

This page does not form part of the statutory financial statements