



**Break**  
**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

Charity number 286650  
Company number 01699685

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**Break**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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<b>Contents</b>	<b>Page No.</b>
Charity Reference and Administrative Details	1
Report of the Board of Trustees (Including Directors' Report and Strategic Report)	2 - 17
Independent Auditor's Report	18 - 20
Statement of Financial Activities (Including Income and Expenditure Account)	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 41

## **Break**

### **CHARITY REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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Charity Registration Number: 286650

Company Registration Number: 01699685

Registered Office and  
Operational Address: Schofield House  
1 Spar Road  
Norwich  
Norfolk  
NR6 6BX

#### **Board of Trustees**

Mr A P K Roy	(Chair)
Mr F M E Shippam FCA, DChA	(Treasurer)
Mrs M Corti FCCA, MBA	
Ms J Darlington MA (Cantab)	
Mr D Evans	(appointed 19.10.20)
Mr S Fowler TD, LLB	
Dr M Gardiner MSc, PhD	(resigned 20.07.20)
Mr G Gildersleeve MA, DipSW	
Mrs B Hall B.Ed (Hons), PgD, SSStJ	
Mr L Hilldrump-Boorman	(appointed 20.07.20)
Mrs A Joyce BSc	
Mrs S Martin	(resigned 20.07.20)
Mrs A L Ovens FCCA, DipIFR, MloD	
Mr J Sam MBCS, CITP, MloD	
J Stanley	(appointed 19.10.20)

#### **Trustee Observers**

Mr L Hilldrump-Boorman (to 19.07.20)

#### **Presidents and Co-founders**

Mrs J A Davison  
Reverend Canon L J Morley

#### **Chief Executive Officer**

Ms R Cowdry BA (Hons), MA DipSW, Diploma

#### **Executive Team**

Mr M Hudson BSc (Hons), Chartered MCIPD (Deputy Chief Executive Officer)  
Mr A Flack FCCA (Director of Finance)  
Mrs R Leslie BA (Hons) MA DIPSW (Director of Care Services)  
Mr D Crouch BSc (Hons) (Director of Income Generation)

#### **Company Secretary**

Mr M Hudson BSc, Chartered MCIPD

#### **Auditor**

Lovewell Blake LLP, Bankside 300, Peachman Way, Broadland Business Park, Norwich, NR7 0LB

#### **Solicitors**

Butcher Andrews, 1 Old Post Office Street, Fakenham, Norfolk, NR21 9BL  
Clapham & Collinge, St Catherine's House, All Saints Green, Norwich NR1 3GA

#### **Bankers**

Lloyds Bank plc, The Undercroft, Queens Street, Norwich, NR2 4SG

## **Break**

### **REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 published in October 2020.

## **Trustees of the Charity**

The Trustees who have served during the year and since the year end are shown on Page 1. Two Trustees resigned during the year and three were appointed (see Page 1).

## **Objectives and Activities**

The Memorandum and Articles of Association state that Break's charitable objectives and principal activities are:-

- The relief of the needs of persons who are sick, disabled (whether physically or mentally), disadvantaged, infirm or who have learning disabilities or other special needs and of children who come from poor or deprived backgrounds
- The advancement of the education and training of any persons who fall within the categories specified above
- The relief of the needs of persons who experience emotional and behavioural disorders
- The relief of the needs and the support of families of any persons falling into the categories specified

The objectives and aims are achieved by the implementation of individual unit and departmental business plans.

The objectives have been met by providing the following services:-

- Activity Breaks delivered across Norfolk and Short Breaks at Nelson Lodge in Long Stratton
- Family Assessments delivered at Hazeldene, an Ofsted registered Centre in Lowestoft, Suffolk
- Eight Children's Homes (including Trafalgar Lodge in Long Stratton and Morley House in Kings Lynn for children with learning disabilities)
- Break Therapeutic Service across Norfolk
- Fostering
- Staying Connected Team
- Opportunities Team

Break's policy is to work in partnership with Local Authorities, Housing Associations and other relevant agencies to provide the best possible service. We maintain strong working connections with Norfolk County Council Children's Services and acknowledge full funding we receive through contracts for our residential disability services. Break also works closely with Cambridgeshire/Peterborough and Suffolk Children's Services on a range of successful projects and commissioned placements.

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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***Public Benefit Statement***

The Board have paid due regard to the Charity Commission's guidance on public benefit.

In the terms of the Charities Act 2011, Break's Objectives fall within two definitions of charitable activity, "the relief of those in need by reason of ill-health, disability or other disadvantage" and "the advancement of education". On both counts Break provides benefits, irrespective of their financial circumstances, to a number of distinct groups of the public including: children and young people; families; and young people with learning and physical difficulties.

Detailed information on the services provided, and the benefits which accrue to the service users, is set out in this Report and on the Break website, [www.break-charity.org](http://www.break-charity.org)

**Strategic Report**

**A) Achievements and Performance**

Break is an established and confident charity. We support a wide range of young people across East Anglia to achieve great things. We are proud to push the boundaries of innovation. We have co-production at the heart of the services we provide for our young people, enabling them to influence both their own future and the development of our Charity.

Our vision creates a pathway approach to childhood that offers support to a child where and when they need it, for as long as they need it. This is at the core of our ambitious plans and we will engage all stakeholders in holding us to account for the impact we have.

***Covid-19***

During the year, Break's services were impacted by the pandemic. At the start and end of the financial year our retail operations were closed in compliance with the lockdown restrictions. Our fundraising activities were also impacted as all physical events had to be suspended, including a major Sculpture Trail we had planned for 2020.

However, the impact of the pandemic on the financial results was lessened due to the Government support for our retail activities. In addition, the Coronavirus Job Retention Scheme helped support services that were unable to operate during the lockdowns. We also successfully applied for Covid-19 specific grants from a number of charitable organisations. Details of these grants are in the fundraising section of this report.

The pandemic restrictions influenced the services we were able to deliver. Young people had changes to their daily patterns and spent more time within our homes than would otherwise have been the case. Our staff responded by forming bubbles to ensure services remained secure and minimised the disruption from staff isolating.

Throughout the year, Break's staff have worked hard to ensure our young people felt safe, secure and supported within the services. Our retail staff who were furloughed for prolonged periods, came back to work with enthusiasm and, alongside our dedicated volunteers, reorganised our shops to ensure customers felt safe and welcome.

The Trustees appreciate and value the staff and volunteers and thank them for their continued work for Break.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *A safe place to call home for looked after children*

At Break we are proud that our **children's homes** are somewhere safe that young people can call home, with adults who love, care and look out for them. We provide a home where young people can belong, begin to flourish and embrace their future with confidence and hope.

The staff at our children's homes have supported our young people throughout the pandemic. New procedures have been adopted to ensure everyone remained safe and our staff have worked tirelessly to ensure children in education kept up with their school work.

In the year, we **cared for 22 young people** within our five homes. All five homes are rated as 'Good' by Ofsted. Our average length of placement at the end of March 2021 was 2.4 years, with 3 young people living at their Break Home for 4 years or more. At 31 March 2021, 69% of the young people living in our children's homes were in full time education.

In 2020, Norfolk County Council recognised a requirement for more specialist services to meet the needs of the most complex young people in their care. One of our children's homes, Birchwood House, was identified in June 2020 as a base to offer this care. The service offers solo or dual placements and intensive support to young people in care who find it too difficult to live with other young people. To deliver this more intensive service, the Birchwood House team accessed comprehensive training programmes, and developed their skills and confidence to meet the needs of young people.

Break has worked in collaboration with the local authority to manage and respond to high risks. Birchwood House has been a home to **2 young people** in the year and was rated as 'Good' by Ofsted.

Towards the end of the year, another of our children's homes, Primrose House, was identified to offer intensive support to complex young people. We were pleased to welcome the first young person to the new service at Primrose House in April 2021.

#### *Therapeutic Support*

Break Therapeutic Services (BTS) are delivered by our highly skilled team of therapists, social workers and specialist parenting and therapeutic practitioners. The Service supports children and young adults who have had adverse childhood experiences. Many have experienced trauma, abuse and neglect and no longer live with their birth families. The BTS team ensures the provision of high quality and innovative care services across Break, supporting our children's homes, our fostering service and our leaving care services (the Emotional Wellbeing Service).

The work of BTS reaches into the wider community as BTS is a trusted provider for Norfolk Adoption Service and also works within several local schools. BTS aims to strengthen relationships and support families, individuals and professionals to understand and process the difficulties that are being experienced. Therapy sessions take place in our purpose built suite of therapeutic rooms, using creative techniques such as play, drama and art to enable children to explore their experiences and recognise and process their emotions. Children are supported to emotionally cope and are better able to access social and learning opportunities. Support is offered for short, 12 weeks periods, or for longer interventions of 3 to 4 years. On average **BTS support 80 different children and families a week.**



## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Emotional Wellbeing Service*

This service sits within BTS and supports care experienced young people to enjoy enhanced emotional wellbeing, improving their potential to access opportunities and successfully transition to independence. Referral routes include self-referral, social workers, GPs, personal advisors from local authorities and young people accessing Break's Staying Close Staying Connected (SCSC). The Emotional Wellbeing Service encompasses two tiers of relationship-based intervention, allowing for more intensive interventions where indicated:

1. Short term work (12 weeks) – developing strategies for managing anxiety or low mood, recognising triggers and thinking about sources of support. Thinking about self-care and good physical and mental health.
2. Longer term work – using a psychotherapeutic approach, young people are given the opportunity to explore their feelings about themselves, their histories and relationships. This supports increased capacity for emotional regulation.

The Emotional Wellbeing Service aims to address the entrenched underlying mental health issues which can present as difficult, challenging and frustrating behaviours. Without processing past trauma many young people are unable to access solution-based approaches and move forwards in their lives.

#### *Mentoring*

During the year, the Break Mentoring Service **supported 29 volunteer mentors** who were matched with young people. Our mentoring programme offers positive outcomes and added value for our young people. The young people Break support have had contact with care professionals throughout their lives. The young people report that they especially value their volunteer mentor who is choosing to be there for them. .

The Break Mentoring service is dynamic, and has continued to change and evolve in response to the current climate. We have young people engaged in a Peer mentoring offer, and hope to increase the participation of Peer mentors across our children's homes. Our aspiration is that all young people within Break will have access to a volunteer mentor.

#### *Fostering*

We provide long term therapeutic foster placements for children and young people between the ages of 3 and 18. During the year we had **13 young people** in placements.



Our service offers predominantly intensive placements offering a family placement for young people who have experienced extreme trauma in their lives and cannot live in a "mainstream" foster home. Our team works hard to begin to heal some of the hurt through the relationships our carers build with the young people, and through the therapeutic support offered. After the year end, in May 2021, Ofsted graded the Break Fostering service as 'Good' in all areas, and made the following observations:

- 'Good matching, longevity of placements and use of therapeutic services'
- 'good examples of care and progress' for all our young people
- 'All children in education...D at uni'
- 'Good support to maintain relationships with families'
- 'child centred service'

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Staying Close, Staying Connected*

Staying Close, Staying Connected (SCSC) offers a framework for young people as they leave residential care. SCSC offers the young people lifelong relationships.

The Department for Education Innovation Fund has supported the Break SCSC project since April 2018. Quarterly project boards with representation from our partners (Cambridgeshire County Council, Norfolk County Council and Peterborough City Council) have overseen the SCSC strategy and project direction.

SCSC offered **17 houses and flats** in the year across the region. Each house provided much-needed stability to young people as they moved on from their children's home. In response to requests from young people, in the year we added one bedroom properties for those ready to live on their own. This option proved successful for 2 young people in the year, and a further one bed property has undergone refurbishment after the year end.

Challenges in the year were overcome by the team working collaboratively across the regions, enabling young people to continue to move in and move on successfully from the SCSC service. Staying Connected coordinators continued to support young people to identify important people in their lives, and to find ways of building opportunities to engage with these people.

During the pandemic, IT equipment and digital devices were essential to connect young people with activities, social networks and educational opportunities. Personalised budgets funded the necessary purchases.

#### *Lifelong Support – the Staying Connected Service*

Since 2009, Break has charitably funded a service to support the transition to adulthood, and to provide a sense of stability for young people leaving Break's care. Amongst things, the service ensures the young people have support to call on in times of crisis.

#### *Staying on Track*

The Staying on Track service offers leaving care support to build healthy relationships and positive transitions to independence. The service provided access to emotional wellbeing **support for 32 young people and peer network activities for 100 care experienced young people in the year.**

#### *Support for families – Hazeldene*

Break's residential family Assessment Centre, Hazeldene, provides a safe environment for parents who have had difficulties in caring for their children. We offer tailored packages to meet the needs of each individual family. Families are referred to Break by local authorities from across the country.



We promote and assess parenting skills to ensure that children are safe and protected and offer families an opportunity for intensive support to help them recognise the needs of their children. Safeguarding vulnerable children is our prime focus and the clarity of our assessments inform the referrers whether a child's needs can be adequately met by parents or carers, or whether there is a need for intervention and alternative care arrangements that will secure the longer term future for the child. In the year, we continued to safely provide our service and support **20 families and 25 children.**



## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Services for Children and young people with disabilities*

The Break services for children with disabilities gives young people access to opportunities to enable them to make progress. We operate three homes across the Norfolk, together with a mobile service delivering in the community.

**Nelson Lodge** offers residential short breaks for children and young people with disabilities who live in Norfolk. The young people have time away from their families in a safe, secure environment while their parents and siblings enjoy a break from their 24/7 care responsibilities. Break's skilled and dedicated staff support young people to enjoy a range of activities, building confidence, independence skills and helping to form friendships. In the year, Nelson Lodge was one of the few services throughout Norfolk which stayed open during the pandemic, albeit with reduced occupancy levels to ensure safety whilst prioritising those in greatest need.

Despite the reduction, **we provided short breaks to 25 young people for a total of 800 nights**. Many of our families report that without the support of our service, their children would be in full-time residential care, often in a different county. During the pandemic, without access to the usual support networks such as school or other similar services, our families relied on us more than ever as for many of them, we were their only level of support.



**Morley House** is a children's home for young people with learning disabilities and complex needs. During the year **we supported 4** young people in everyday tasks such as managing their health and wellbeing, their safety, education and achievement. By knowing the young people well and having trusting relationships, we are able to support them with daily living skills and independence, preparing our young people for adult services.

We work closely with the young people's families. Our main strength is enabling the young person to maintain their family network and ensuring parents can spend quality time with their children, completing simple tasks such as clothes shopping or activities.

**Trafalgar Lodge** is a children's home which provides individually focused and child-centred professional care and support for children and young people who have learning disabilities, physical disabilities, and communication difficulties. Trafalgar offers a safe environment that is caring and homely. Young people can enjoy activities, are encouraged to make choices, pursue their wishes and achieve personal goals. During the year **we supported 4** young people.

For the last two years Trafalgar Lodge have received an Ofsted "Outstanding" rating and in the last inspection report the staff at Trafalgar Lodge were applauded for their creative approach in involving the young people in day to day tasks, helping the young people to communicate and enabling the young people to express themselves and make informed choices. Overall, the team provide high quality care which enables the young people to enjoy a variety of meaningful daily experiences within a positive environment.

Our **Activity Breaks** service gives young people with disabilities the opportunity to do many of the things their peers take for granted and that would otherwise be denied to them because of their disability. We provide a range of supported community-based activities that are centered around the young person and what they want to do. Over the last year **we have supported 21 young people** with disabilities with Activity Breaks across Norfolk and Suffolk.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Pathways to Work – Opportunities team*

Break knows how important it is to expand the horizons of our young people and support them to achieve their potential as care experienced young people aged between 16 and 20 are four times more likely to be unemployed than their peers.

Break offers safe environments with appropriate support to enable our young people to explore, build skills, have great experiences, test ideas and experiment.

In the summer of 2020, pursuing an idea generated by our young people, we launched our mobile coffee van enterprise. During the year the mobile coffee van offered **15 young people paid employment, opportunities to train and to volunteer**. During the year, funding was secured to start a pathway into the construction industry.



#### *Our Shops*

Break's shops are valuable assets for the Charity. They generate income to help fund our charitable services and provide vital links with the local community, offering opportunities for people to support our work by donating goods or volunteering their time.

We are grateful for the many good quality donations of clothing, household items, toys and books we receive which we sell in our shops. Items not suitable for sale are recycled whenever possible to avoid them going to landfill.

During the year to 31 March 2021 Break had to close its shops for several months due to the national lockdown restrictions. We are immensely grateful to the volunteers working in our shops in East Anglia and the West Country. Most of our volunteers returned after the country's lockdown and have supported us in providing a Covid safe shopping environment. During the year **844 volunteers** worked in our shops contributing **37,753 hours** (2019/20: 95,426 hours) during the 6 months the shops were open

At the year end, **Break had 45 shops**, 30 in East Anglia and 15 in the West Country. There are plans to open an additional shop in Norwich during 2021 with a specialist Wedding and Prom department as such specialist services have proven successful elsewhere.



## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### *Fundraising*

Much of the support offered by Break to children, young people and families is funded by charitable income from fundraising. In the past, a focus for our fundraising has been events but the pandemic led to the cancellation of a calendar of planned fundraising events.

A Covid-19 recovery campaign, "Be There", launched at the end of the year generated some charitable income and the table below shows the grant funding we received in the year following successful grant applications.

Funder	Break Service	Amount
Barclays 100 x 100 Covid Fund	Opportunities Team	£100,000
Esmee Fairbairn	Staying on Track	£69,034
Norfolk Construction Fund	Opportunities Team	£64,000
CHK Foundation	Opportunities Team	£50,000
Esmee Fairbairn	Staying Close; Staying Connected	£44,852
Erasmus	Opportunities Team	£29,191
Children in Need – Covid-19 Next steps	Opportunities Team / Break Therapeutic Service	£22,873
Social Investment Business	Opportunities Team	£21,600
Children in Need	Break Therapeutic Service	£19,601
National Lottery – Awards for All	Opportunities Team	£9,970
Norfolk Community Foundation	Opportunities Team	£6,204
Norman Lamb Wellbeing Trust	Opportunities Team	£4,500
D'Oyly Trust	Opportunities Team	£3,000
Ebay	Retail	£1,660

We thank all our Funders for the support they offer which helps the young people within our services.

## **Break**

### **REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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## **B) Financial Review**

### **Results**

Break made a surplus of **£655k** (2019/20 £94k) for the year. This comprised a surplus of **£376k** (2019/20 £220k) on unrestricted funds, a deficit of **£28k** (2019/20 £136k) on designated funds and a surplus of **£307k** (2019/20 £10k) on restricted funds. The value of net assets therefore rose from £4,992k to **£5,647k**. Of these, unrestricted funds accounted for **£5,145k** (2019/20 £4,797k) (including designated funds of **£733k** (2019/20 £761k)).

The lockdowns had a significant impact upon our retail trading as detailed in note 4. During 2020/21 retail was able to breakeven having received Government support of £1,610k in the year. In the previous year retail contributed a surplus of £276k to the Charity. In light of uncertain trading conditions and the likely reduction in Government support in 2021/22, the Charity launched the "Be There" campaign post year end to mitigate the anticipated reduction in funds from retail activities.

### **Reserves Policy**

Free reserves are unrestricted funds that are available to be spent on any of the Charity's objectives. Tangible fixed assets, and the connected bank loans, are not included in free reserves as these assets are essential to the Charity's activities. Their disposal would adversely impact the Charity's ability to deliver its aims.

The level of free reserves is set by the Board of Trustees on an annual basis and regularly monitored throughout the year. Action is taken if actual free reserves fall significantly outside the target level established.

In determining the level of free reserves, Trustees consider the financial impact of the risks facing the Charity, including the loss of income from partner agencies and voluntary donations, and balance the need to hold sufficient reserves to enable the Charity to:

- continue its activities when faced with unforeseen circumstances,
- support the development of additional services to children, young people and their families, and
- maximise expenditure on charitable activities.

The Charity's Reserves Policy in the year was to hold free reserves equivalent to at least one month's salary costs, estimated at £740k. Free reserves as at 31 March 2021 were £1,008k (2019/20 £591k). The Finance Committee reviewed the Reserves Policy in June 2021 and recommended to the Board of Trustees a target for free reserves of £1,400k for 2021/22, representing an estimate of redundancy and lease obligations. Due to the current financial climate, with uncertainties in relation to the future funding levels of some of our care services and the on-going impact of Covid-19 on the Charity's retail and fundraising income, it is recognised that the targeted level of free reserves is unlikely to be achieved by 31 March 2022.

As at 31 March 2021, the Charity had Designated Funds of **£733k** (2019/20 £761k). Designated Funds are funds set aside by the Trustees out of unrestricted funds to support specific future purposes and projects. Details of the Designated Funds, together with movements during the year, are given in Note 20 to the Accounts.

As at 31 March 2021, the Charity had Restricted Funds of **£502k** (2019/20 £195k). Restricted Funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Details of the Restricted Funds, together with movements during the year, are given in Note 20 to the Accounts.

### **Funding Sources**

Break has three main funding sources; service level agreements and spot purchase contracts from local authorities, retail and fundraising.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

#### *Investment Policy*

The Charity holds cash to fund expenditure in the short and medium terms. The cash is held on deposit accounts as capital preservation is of particular importance, as is the ready availability of a substantial proportion of the assets to meet immediate cash flow requirements. Given these parameters, the Charity seeks to produce the best financial return within an acceptable level of risk. In implementing the Investment Policy, the Charity will have regard to the spread of risk, future liquidity requirements and ethical considerations. The treasury and investment position is regularly reported to and monitored by the Finance Committee.

#### *Principal Risks and Uncertainties*

##### *Covid-19*

The Board have carefully assessed the impact of the Coronavirus pandemic on Break's activities and finances. During the year, the fundraising and retail activities were severely impacted by the restrictions. Both of these income generating functions support charitably funded work undertaken by Break. To an extent the negative financial impacts on fundraising and retail activities were offset by the Government grants and support available to Break, including a £1m Coronavirus Business Interruption Loan.

The services commissioned directly by local authorities were not affected from a financial point of view but had to apply new methods of management and operation. The Executive team and the Finance Committee met regularly and updated the Board on developments and forecasts. The Charity's risk assessments were updated in light of the Coronavirus pandemic and action plans implemented and approved to mitigate risks in the following key areas:

Risk	Mitigation
Safety of staff and people in care	Dynamic risk assessments in place at all sites; clear central strategy and communication; supply of PPE and other protective measures where possible; Covid-19 testing.
Lack of staff to operate services	Contingency support team of 8 staff, full use of relief staff, cross-working with local authorities. Covid-19 testing of support staff to enable staff to return to work.
Loss of expert advice through illness of key trustees or members of leadership team	Extend term of office of key trustees, seek advice from retired trustees, use of external consultancy.
Loss of voluntary income through cessation of retail or fundraising	Optimise use of CJRS and other Government grants available; trust and grant applications; reduction in operating and overhead costs; optimise virtual opportunities.
Cash flow and funding	Apply for government grants and loans, negotiate payment terms with commissioners and landlords; optimise occupancy in services; examination and re-designation of reserves.

#### *Other principal risks*

In addition to the risks associated with the Coronavirus pandemic, the Trustees monitor other risks. The risk analysis is categorised in terms of Governance, External Factors and Operational Factors, which include care service delivery, finance, human resources, health & safety, and IT & data management. Levels of risk are monitored through key performance indicators. Any elevated risks are referred to the Board either immediately or at the next meeting depending on severity. The risk analysis is reviewed by the Trustees on an annual basis.

Examples of other key risks are

- Cover for staff in the event of absence or illness
- Void periods in spot purchase services
- Major contracts going out for retendering
- Serious Incident e.g. fire at a care provision or damage to reputation
- Competition

Measures, agreed by the Trustees, are in place to seek to reduce the impact of these risks on the quality of service that Break provides.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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#### **Key Performance Indicators**

Trustees monitor the financial performance of Break on a regular basis. During the pandemic, the meetings increased in frequency to enable a closer level of scrutiny during the turbulent times. The indicators are reviewed periodically and the results reported through the Management Accounts. The indicators include performance against budget, occupancy, targets for net current assets, reserve levels and staff costs compared with income.

#### **Going concern**

The Trustees have carefully considered all available information about the effect of the Coronavirus pandemic on the finances and operations of the Charity for 12 months from the date of this Report. Information from budgets and forecasts for income, expenditure and cash-flow, including the availability of unrestricted funds and reserves, credit facilities and any other forms of financial assistance have been considered. The Trustees are confident that there are no going concern issues.

#### **Post Balance Sheet Date events**

Note 26 gives details of events after the year end.

## **C) Plans for future periods**

The Trustees anticipate a challenging year ahead for the Charity. The young people we support will need extra time, guidance and help as restrictions gradually ease.

The return of strong income streams from our retail and fundraising activities is key. The Trustees are pleased with the early indications that retail sales have bounced back and are above forecast. The postponed 2020 **Cows about Cambridge**, a sculpture trail planned around the city of Cambridge, started in June 2021. Proceeds from this trail will be used to further Break's work across Cambridgeshire. The 2020 **GoGo Discover** trail will go ahead in the summer of 2021 and summer 2022. A smaller trail of T-Rex sculptures in 2021 will coincide with the display of "Dippy the Diplodocus" at Norwich Cathedral and a larger county-wide trail of T-Rex and Steppe Mammoths is scheduled for 2022, culminating in a charity auction.

#### **Our Vision 2021-2025**

Throughout 2021/22 Break will continue to develop the 2021-2025 vision. This will build on the successes of 2020/21, as despite the challenges caused by the Coronavirus pandemic, Break met and surpassed many of the targets within the strategy.

The focus for 2021/22 is to develop the vision and focus on three core themes; people, culture and performance. Break will continue to invest in its people, building on their expertise; Break will review its culture to ensure it reflects Break's values and ethos; and stretching but achievable targets will be set at all levels to ensure Break continues to change young lives.

The Coronavirus pandemic has created further obstacles for young people already disadvantaged by their traumatic start in life. Break will explore ways in which each young person can be supported to be in the best possible position for the next stage in their lives. In 2021/22 Break will look to

- Increase the pathway to employment opportunities and develop the Coffee Break and Building Futures projects to support young people into the work place.
- Increase the Staying Connected (leaving care) service to offer the support to more young people – specifically those leaving foster care
- Focus on the co-production and participation agendas to work with young people and partner agencies to ensure all changes in work are led by young people, for young people.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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Break's identified objectives in 5 key areas are:

Vision area	Objective headings
Evidencing our excellence	Show where we have made a difference Offer a voice to young people and employees Celebrate success
Always adding value	Capture our added value Support our communities
Increasing connections	Put relationships first Have something for everyone to connect to
Sustainable growth	Seek opportunities in Norfolk, Suffolk and Cambridgeshire Develop services for children and young people Use all our resources efficiently
Become the "go-to" organisation	Tell people what we do Help shape ideas Be creative

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## D) Structure, Governance and Management

### *Governing Document*

Break is a charitable company limited by guarantee, incorporated in England and Wales on 15 February 1983 and registered as a charity on 6 May 1983. Break's Memorandum of Association establishes its objects and powers, which are governed under Break's Articles of Association. In the event of the Charity being wound up, the members are required to contribute an amount not exceeding £1.

### *Recruitment and Appointment of Trustees*

The directors of the company are Trustees for the purpose of charity law.

It is the Board of Trustees' collective responsibility to ensure that the Charity is fit for purpose and to determine and support its strategic direction in order to enable it to attain its stated objective. The Charity follows the Code of Governance for the Voluntary and Community Sector.

New appointments to the Board are made after completion of a Trustee skills gap analysis and an open recruitment process to attract volunteers with appropriate skills.

The term of office for a Trustee is three years, at which point they must resign or seek re-election.

### *Trustee Induction and Training*

All Trustees receive a full induction pack and training needs are assessed periodically.

### *Organisational Structure*

The Board may delegate any of its powers to any committee consisting of one or more members of the Board or Executive Officers.

Break has 4 sub-committees on Finance, Commercial Services, Care Services, and Risk and Governance. These are chaired by Board members and involve Executive Officers and some of the wider staff team.

## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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The Governance and Management Structures operate under the shared principles of:

- Working together with common purpose, values and goals
- Adhering to Break's charitable objectives and the Charity Commission's guidance on public benefit
- Ensuring no small group or one individual dominates the decision making
- Adhering to the principles of openness, honesty, integrity, objectivity, accountability and clear leadership

#### **Trustee attendance**

The Board of Trustees formally met five times during the year. Attendance during the year was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
A Roy (Chair)	5	5
F Shippam (Treasurer)	4	5
M Corti	5	5
J Darlington	5	5
D Evans (from 19.10.20)	3	3
S Fowler	5	5
M Gardiner (to 20.07.20)	1	2
G Gildersleeve	4	5
B Hall (Vice Chair)	5	5
L Hildrup-Boorman (from 20.07.20)	3	4
A Joyce	4	5
S Martin (to 20.07.20)	2	2
A Ovens	5	5
J Sam	5	5
J Stanley (from 19.10.20)	3	3

The Finance Committee usually meet three times a year. However, due to the Coronavirus pandemic, eight meetings took place to allow the close monitoring of the Charity's finances throughout this challenging period. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
F Shippam (Chair)	8	8
M Corti	8	8
J Darlington (from May 2020)	7	7
B Hall (from August 2020)	4	4
A Ovens	5	8
A Roy	7	8

The Care Committee met four times during the year. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
G Gildersleeve (Chair)	4	4
M Corti	4	4
D Evans	2	2
S Fowler	3	4
M Gardiner (to 20.07.20)	1	1
B Hall	4	4
A Roy	3	4
J Stanley (from 19.10.20)	2	2



## Break

### REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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The Commercial Services Committee met six times during the year to allow monitoring of the impact of the Coronavirus pandemic on the retail and fundraising activities. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
A Ovens (Chair)	6	6
J Darlington	5	6
B Hall	4	4
L Hilldrup-Boorman	6	6
A Joyce	5	6
S Martin (To 20.07.20)	2	2
A Roy	3	3
J Sam	5	6

The Risk and Governance Committee met twice during the year. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
A Roy (Chair)	2	2
M Corti	2	2
S Fowler	2	2
B Hall	2	2
J Sam	2	2

#### ***Pay policy for key management personnel***

The key management personnel are paid on Grades 1-3 of a 7 point ranking that is used for all managerial and administrative support staff. The grades all have a scale with a minimum appointment rate, standard job value and maximum job rate. Progress towards the top of the scale is through performance not service.

An Executive Pay Committee, with Trustee input, determines any performance related pay increases for Grades 3-7. Pay increases for the CEO and Directors (Grades 1 and 2) are determined solely by the Trustees and limited by the confines of the scales that are transparently published within the Charity.

No bonuses are paid to key management and employer pension contributions are set at 5% of salary for all eligible Break employees.

#### ***Risk Management***

The Trustees believe that the major risks to which the Charity are exposed to have been identified, reviewed and assessed. Systems are established to mitigate those risks, The principal risks and uncertainties and the response to specific risks are set out on Page 11.

#### ***Fundraising Practices***

Break manages all of its fundraising activities in-house and does not use external, professional fundraisers. Members of Break's fundraising team organise and support fundraising events and activities for our corporate, community and individual supporters. Commercial participators are exclusively involved with the GoGoSculpture trails by written agreement with Break. Break complies with the Fundraising Regulators Guidance Code of Practice.

No complaints about fundraising activity were received in the year (2019/20 – none).

Break has signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of the Institute of Fundraising. All of Break's fundraising guidance and working practices are compliant. Some of the staff in the fundraising team are also individual members of the Institute. Volunteer fundraisers are given a full induction and briefing before they raise funds for Break.

## **Break**

### **REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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All direct marketing is undertaken by the fundraising department. It is neither unreasonably intrusive or persistent and is only sent to people who have consented to engage with Break. Break never make cold calls. All marketing material or information sent from Break contains clear instructions on how a person can remove themselves from mailing lists. All of Break's processes are GDPR compliant. Break's work is with vulnerable people and Break has an agreed operating procedure to protect vulnerable people. All Break's fundraisers are familiarised with the Code of Conduct to ensure that it is applied properly.

#### ***Staff and volunteers***

Break's staff and volunteers are critical for the ongoing success of the Charity. Their time, skill, passion and dedication ensure Break is able to deliver the best possible services for the children and families supported. Break's volunteers continue to provide invaluable input throughout the Charity, but especially to the retail operations. A conservative estimate of their contribution to the Charity is equivalent to £329,000 of paid salary hours.

#### ***Employee engagement***

Break actively encourages the engagement of employees and welcomes constructive comments on the running of the Charity. The principal structure for this is the Staff Consultation Forum, a staff body of 25 representatives from all disciplines, departments and services. The Forum meets three times a year and is attended by senior members of the Executive and Trustees. During the year, feedback from Break staff was gathered on a number of Break's policies, including Policies on bereavement, dress code and code of conduct. The Forum also discussed other topics including Volunteers, terms of service and Mental Health Awareness.

The wider views of staff are also sought by on-line questionnaires and other surveys. A wide-ranging survey was conducted during the year to inform an assessment of Break's management and engagement of staff through the Investors in People (IIP) programme. Members of staff selected by IIP were also interviewed.

Survey results provide an important source of information to Break's management for the assessment of Break's policies and practice. Break was awarded a Gold standard by IIP during the year.

Just after the year end, a survey was carried out in April 2021 to gauge employees' views on Break's response to the Coronavirus pandemic.

Break continued to increase the communication with employees and volunteers during the year. A monthly news update sent by the CEO to all staff was increased to a weekly update during the Coronavirus pandemic to keep staff informed of Break's response to the rapidly changing situations. In addition, "Breaking News", a new engaging and accessible monthly internal newsletter, launched during the year.

#### ***Policy for employment of disabled persons***

Break welcomes applications for employment from all prospective employees regardless of disabilities. Break is committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills, and experience of all employees. Break already has the DWP designation of "Disability Confident – Committed" and is working towards recognition at an enhanced level of this scheme.

Break's commitment is to ensure that employees are managed in an inclusive way, taking into account individual differences and giving employees the confidence to disclose a disability should they so wish. If an employee discloses that they have a disability or become disabled during the course of their employment we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this. These could include training, specialist technology or equipment, for example. In deciding what is reasonable, the practicalities and resources available to Break including through the government funded "Access to work scheme" are taken into account.

Break

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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***Responsibilities of the Board of Trustees***

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

Company law requires the Board of Trustees to prepare financial statements for each financial year. 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 these financial statements, the Board of 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Board of Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***Auditor***

Lovewell Blake LLP shall be deemed to be re-appointed under section 487(2) of the Companies Act 2006.

***Disclosure of information to the auditor***

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

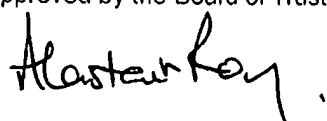
- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

With regard to Covid-19, we have set out the risks and actions that are being taken to minimise the impact of the pandemic on Break's finances and operations on page 11 of this report. We have disclosed to the company's auditor all forecasts and workings based on current knowledge and actions, including the effect on cash flow, reserves and funds, to validate our conclusion that Break's accounts should be prepared on a going-concern basis.

The Board of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, we also approve the Strategic Report in our capacity as company directors.

Approved by the Board of Trustees on 19<sup>th</sup> July 2021 and signed on its behalf by:



Alastair Roy, Trustee

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 MARCH 2021

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### Opinion

We have audited the financial statements of Break (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 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 Auditor's 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Break**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **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 strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 18), 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.

### **Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

Break

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 MARCH 2021

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### 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 auditor's 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.

*Lovewell Blake LLP*

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of

LOVEWELL BLAKE LLP

Chartered Accountants & Statutory Auditor

Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk NR7 0LB

27/07/2021

Break

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	2021 Total £000	2020 Total £000
<b>Income from:</b>						
Donations and legacies	2	1,300	92	1,343	2,735	1,691
Charitable activities	3	6,794	-	386	7,180	7,207
Other trading activities	4	1,447	-	-	1,447	3,773
Investments	5	5	-	-	5	7
Other	6	1,321	2	-	1,323	34
<b>Total</b>		<b>10,867</b>	<b>94</b>	<b>1,729</b>	<b>12,690</b>	<b>12,712</b>
<b>Expenditure on:</b>						
Raising funds	7	3,292	121	2	3,415	4,059
Charitable activities	7	7,199	1	1,420	8,620	9,006
<b>Total</b>	<b>7</b>	<b>10,491</b>	<b>122</b>	<b>1,422</b>	<b>12,035</b>	<b>13,065</b>
<b>Net income / (expenditure)</b>		<b>376</b>	<b>(28)</b>	<b>307</b>	<b>655</b>	<b>(353)</b>
<b>Other recognised gains</b>						
Gains in revaluation of fixed assets		-	-	-	-	447
<b>Net movement in funds</b>		<b>376</b>	<b>(28)</b>	<b>307</b>	<b>655</b>	<b>94</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		4,036	761	195	4,992	4,898
Total funds carried forward	20	4,412	733	502	5,647	4,992

The statement of financial activities includes all gains and losses in the year. All income and expenditure derives from continuing activities

The notes on pages 24 to 41 form part of these financial statements

Break

**BALANCE SHEET**

AS AT 31 MARCH 2021

COMPANY NUMBER:0699685

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible fixed assets	12	3,918	4,029
Investments	13	8	8
		<u>3,926</u>	<u>4,037</u>
<b>Current assets</b>			
Stock	14	1	-
Debtors	15	1,337	891
Cash at bank and in hand	16	2,377	909
		<u>3,715</u>	<u>1,800</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(638)	(323)
<b>Net current assets</b>		<u>3,077</u>	<u>1,477</u>
<b>Total assets less current liabilities</b>		<u>7,003</u>	<u>5,514</u>
<b>Long-term liabilities</b>			
Creditors: amounts falling due after more than one year	18	(1,356)	(522)
<b>Total net assets</b>		<u>5,647</u>	<u>4,992</u>
<b>The funds of the Charity</b>			
<b>Restricted funds</b>	20	502	195
<b>Unrestricted funds</b>			
Designated funds	20	733	761
General funds	20	3,777	3,161
Revaluation reserve	20	635	875
		<u>5,145</u>	<u>4,797</u>
		<u>5,647</u>	<u>4,992</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 19<sup>th</sup> July 2021.

Signed on behalf of the Board of Trustees

*Alastair Roy*

Alastair Roy, Trustee

*Frank Shippam*  
Frank Shippam (Jul 20, 2021 08:38 GMT+1)

Frank Shippam, Trustee

The notes on pages 24 to 41 form part of these financial statements



Break

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>	23	<b>562</b>	<b>(540)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(7)	(634)
Proceeds from the sale of tangible assets		10	-
Interest paid		(33)	(21)
Interest received		5	7
<b>Net cash flow from investing activities</b>		<b>(25)</b>	<b>(648)</b>
<b>Cash flows from financing activities</b>			
Mortgage advances		1,000	333
Repayment of mortgage		(69)	(91)
<b>Net cash flow from financing activities</b>		<b>931</b>	<b>242</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,468</b>	<b>(946)</b>
Cash and cash equivalents at 1 April 2020		909	1,855
<b>Cash and cash equivalents at 31 March 2021</b>		<b>2,377</b>	<b>909</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		573	508
Short term deposits		1,804	401
<b>Cash and cash equivalents at 31 March 2021</b>		<b>2,377</b>	<b>909</b>

The notes on pages 24 to 41 form part of these financial statements

Break

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1. Accounting Policies

The Charity is a private company limited by guarantee registered in England and Wales. The address of the registered office is Schofield House, 1 Spar Road, Norwich, NR6 6BX.

The principal accounting policies, judgements and key sources of estimation and uncertainty adopted in the preparation of the financial statements are as follows:

#### a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2020, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £000.

#### b) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

#### c) Going concern

The financial statements have been prepared on a going concern basis as the Trustees consider that the Charity's ability to continue operating is beyond reasonable doubt.

In particular, the Trustees have carefully considered all available information about the effect of the Covid-19 pandemic on the finances and operations of the Charity for 12 months from the time of approving these financial statements. The Trustees have had regard to information from budgets and forecasts for income, expenditure and cash-flow, including the availability of unrestricted funds and reserves, credit facilities and any other forms of Government financial assistance.

The Trustees consider that the budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

#### d) Group financial statements

The results of the charity's subsidiary company to 31 March 2021 were not material and have therefore not been consolidated.

#### e) Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income is allocated as unrestricted and restricted in accordance with fund accounting rules. Analysis of restricted funds is detailed in note 20.

Break

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1. Accounting Policies (continued)

The following specific policies are applied to particular categories of income:

Income from donations and legacies includes grants and donations and is included in full in the Statement of Financial Activities when receivable.

Government grants are received in respect of the Staying Close Staying Connected project and support relating to the Covid-19 pandemic. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Donated goods, facilities and services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity, for example the amount the Charity would be willing to pay on the open market for such facilities. A corresponding amount is included in expenditure.

Legacies are included in the Statement of Financial Activities when the Charity becomes aware of its entitlement to the gift and the amount involved can be quantified.

Clothing and other items donated for resale through the Charity's shop are included as income within other trading activities when they are sold.

Income from investments is included when receivable.

Income from other trading activities is accounted for when earned.

#### f) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred, split between unrestricted and restricted funds. An analysis of restricted funds is detailed in note 20.

Expenditure on raising funds comprises those costs associated with attracting donations and legacies and the costs of other trading activities including the Charity's shops.

Expenditure on charitable activities comprises those costs incurred in the delivery of services to beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those associated with meeting the constitution and statutory requirements of the Charity including the audit fees and costs linked to the strategic management of the Charity.

Identifiable direct costs are allocated between expenditure categories of the Statement of Financial Activities on an actual basis. All other costs are allocated on a departmental 'head count' basis.

#### g) Freehold property

The Board have adopted a policy of revaluing freehold property as permitted by FRS 102. The Board have elected to conduct a periodic revaluation of the Charity's properties. Specialist properties (Nelson Lodge and Morley House) are valued on a value by use basis, whereas other properties are valued with reference to similar properties.

Freehold property is not depreciated on the basis that it relates to properties which have a very long useful life and the residual value is likely to be not materially different from the carrying amount. Annual impairment reviews are carried out.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 1. Accounting Policies (continued)

It is the policy of the Board to maintain all properties to a very high standard with all maintenance and refurbishment costs being charged to the Statement of Financial Activities.

#### h) Tangible assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Assets costing over £2,500 are capitalised.

#### i) Depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual values of tangible fixed assets, excluding freehold property (see above), over their estimated useful lives using the following rates:

Leasehold property	Over the period of the lease
Office furniture and fittings	15% straight line
Care homes furniture	20% straight line
Computer equipment and software	33 1/3% straight line
Motor vehicles	25% straight line

The expenditure on furnishing new care homes is capitalised and depreciated over five years. Expenditure on the replacement of furniture, fixtures and fittings is written off in the year the cost is incurred.

#### j) Investments

Investments in unquoted securities are included at a valuation estimated by the Board. Any gains or losses arising on revaluation are included in the Statement of Financial Activities.

#### k) Leasing

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

#### l) Pension schemes

Break operates two defined contribution schemes. The assets of the schemes are held separately from those of Break in independently administered funds. The charge in the Statement of Financial Activities is the contribution payable by Break to the funds for the year.

#### m) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds are funds that have been set aside by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

#### n) Stock

The fair value of donated stock has not been included in these accounts on the basis that it is impractical to obtain a fair value due to the volume of low-value items received and the absence of detailed stock control systems and records. New goods purchased for sale within the shops are measured at the lower of cost and net realisable value.

#### o) Redundancies

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the Charity are accounted for on an accruals basis and included within employee benefits.

Break

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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**p) Taxation**

The Charity is exempt from corporation tax as surplus income and gains are applied for charitable purposes.

**q) Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**r) Cash at bank**

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

**2. Income from donations and legacies**

	Unrestricted	Designated	Restricted	2021	2020
	£000	£000	£000	£000	£000
Grants & donations	188	92	477	757	786
Government Grants:-					
Service Delivery	-	-	866	866	652
RHLG	965	-	-	965	-
CBILs	15	-	-	15	-
Legacies	132	-	-	132	253
	<u>1,300</u>	<u>92</u>	<u>1,343</u>	<u>2,735</u>	<u>1,691</u>

Income from donations and legacies in 2019/20 included £907k attributable to restricted funds.

Service Delivery Government Grants are for the Staying Close Staying Connected project. See Note 7 for associated costs.

Unrestricted Government Grants received as

- Retail, Hospitality and Leisure Grants (RHLG) due to lockdown closures of Break's retail shops
- Interest payments on the Coronavirus Business Interruption Loan Scheme (CBILs) loan drawn down in the period.

**3. Income from charitable activities**

	Unrestricted	Designated	Restricted	2021	2020
	£000	£000	£000	£000	£000
Fees for care services	6,772	-	4	6,776	6,833
Housing income	-	-	382	382	364
Training income	22	-	-	22	10
	<u>6,794</u>	<u>-</u>	<u>386</u>	<u>7,180</u>	<u>7,207</u>

Income from charitable activities in 2019/20 included £365k attributable to restricted funds.

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4. Income from other trading activities

	2021	2020
	Unrestricted	Unrestricted
	£000	£000
Rental income from Property	12	-
Fundraising sale of new goods	10	-
Coffee van sales	4	-
Retail income – see analysis below	1,421	3,773
	<u>1,447</u>	<u>3,773</u>

Analysis of Retail Income	2021	2020
	£000	£000
Retail income	1,415	3,773
Sale of new goods	6	-
	<u>1,421</u>	<u>3,773</u>
<b>Government Support</b>		
RHLG Grants – (Note 2)	965	-
CJRS Grants (Note 6)	645	24
	<u>1,610</u>	<u>24</u>
	<u>3,031</u>	<u>3,797</u>
Retail costs	(3,032)	(3,521)
(Deficit) / Surplus	<u>(1)</u>	<u>276</u>

All goods, except where stated above, sold in Break's shops have been donated.

5. Income from investments

	Unrestricted	Unrestricted
	2021	2020
	£000	£000
Interest receivable	5	7
	<u>5</u>	<u>7</u>

Break

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**6. Other income**

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Miscellaneous income	395	5
Coronavirus Job Retention Scheme	928	29
	<b>1,323</b>	<b>34</b>

In the year, a business interruption insurance payment was received. The receipt replaced the surplus that would have been raised from retail operations had they not been closed during the initial pandemic lockdown. Also included within miscellaneous income is £2k (2019/20 £Nil) relating to designated income. The Coronavirus Job Retention Scheme income relates to furloughed employees across the Charity

**7. Analysis of Expenditure by Activity**

	<b>Direct costs</b>	<b>Support costs</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>Total</b>
			<b>£000</b>	<b>£000</b>
<i>Charitable expenditure</i>				
Young people in Care	2,468	556	3,024	5,172
Children with disabilities	2,039	552	2,591	2,560
Family Support	1,313	219	1,532	556
Children at risk	1,192	281	1,473	675
Governance	-	-	-	43
	<b>7,012</b>	<b>1,608</b>	<b>8,620</b>	<b>9,006</b>
<i>Raising funds</i>				
Retail and other trading activities	2,641	398	3,039	3,524
Fundraising	321	55	376	538
	<b>2,962</b>	<b>453</b>	<b>3,415</b>	<b>4,059</b>
	<b>9,974</b>	<b>2,061</b>	<b>12,035</b>	<b>13,065</b>

Charitable expenditure includes £1,420k attributed to restricted funds (2019/20: £1,242k). Expenditure on raising funds includes £2k (2019/20 £Nil) attributed to restricted funds and £122k relating to designated funds, all other expenditure was unrestricted.



Break

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## Governance costs

	2021 £000	2020 £000
Governance costs (included within support costs below) comprise:		
Salaries	21	27
Travel	1	1
Audit fees	13	11
Auditors' remuneration for non-audit services	1	1
Other professional fees and support costs	1	3
	<u>37</u>	<u>43</u>
Expenditure includes:		
Depreciation (owned assets)	101	124
Loss on disposal of assets	7	12
Impairment in property valuation	-	133
Operating lease rentals land and buildings	803	904
Trustees' indemnity insurance	1	1
Auditors' remuneration	13	11
	<u></u>	<u></u>

## 8. Analysis of support costs

	<i>Basis of allocation</i>	2021 £000	2020 £000
<i>Direct support costs</i>			
Operational management	Direct expenditure	298	301
Training	Head count	285	262
Maintenance	Direct expenditure	213	265
		<u>796</u>	<u>828</u>
<i>Central overheads</i>			
Head office establishment	Direct expenditure	138	187
Finance	Direct expenditure	259	226
Health & Safety	Head count	70	89
Human Resources	Head count	220	223
Information technology	Head count	171	169
Communications	Direct expenditure	136	84
Chief Executive's Office / Governance	Direct expenditure	271	337
		<u>1,265</u>	<u>1,315</u>
Total		<u>2,061</u>	<u>2,143</u>

## 9. Interest payable

	2021 £000	2020 £000
On mortgages not wholly repayable within five years	<u>33</u>	<u>21</u>

Break

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**10. Staff Costs**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,454	7,855
Social security costs	580	608
Pension contributions and life insurance	414	455
Other staff costs	464	456
	<u>8,912</u>	<u>9,374</u>

The figure for staff costs includes taxable benefits of £28k (2019/20: £23k)

The number of higher paid employees whose emoluments exceeded £60,000 fell within the following bands:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,000 to £69,999	-	1
£70,000 to £79,999	-	1

No pension contributions (2019/20: £7k) were made to a defined contribution scheme in respect of the highest paid employees.

The average number of employees, excluding Board members, during the year were:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Care	239	257
Fundraising	141	150
Administration	37	37
	<u>417</u>	<u>444</u>

The average number of full time equivalents employed during 2021 was; Care 183; Fundraising 72; Administration 30

Redundancy/termination payments of £85k (2019/20: £92k) were made in the year.

**11. Trustees' and key management personnel's remuneration and expenses**

No members of the Board received any remuneration during the year.

No members of the Board received expenses in the course of their duties during the year in respect of travelling and subsistence (2019/20 two members - £694).

Key management personnel are considered to be the Chief Executive and the Executive team as detailed on Page 1, in previous years key management personnel were classed as the Chief Executive and Deputy. The total amount of employee benefits received by key personnel is £345k (2019/20 £201k).

Break

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Furniture, fixtures and fittings £000	Computer equipment and software £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>						
At 1 April 2020	3,749	437	759	387	101	5,433
Additions	-	-	-	-	7	7
Disposals	-	(78)	(45)	(209)	(19)	(351)
At 31 March 2020	3,749	359	714	178	89	5,089
<b>Depreciation</b>						
At 1 April 2020	-	347	717	283	57	1,404
Charge for the year	-	26	6	53	16	101
Depreciation on disposals	-	(66)	(45)	(209)	(14)	(334)
At 31 March 2020	-	307	678	127	59	1,171
<b>Net book value</b>						
At 31 March 2021	3,749	52	36	51	30	3,918
At 31 March 2020	3,749	90	42	104	44	4,029

Tangible fixed assets (Continued)

All fixed assets are held for charitable purposes. All freehold property is non-depreciable.

The freehold properties were revalued as at 31 March 2020 to the Board's best estimate of its fair value. Specialist properties (Nelson Lodge and Morley House) are valued on a value by use basis, whereas other properties are valued with reference to the recent market value of similar properties. The Board have adopted a policy of revaluing freehold property as permitted by FRS 102 and will review the need for revaluation of the Charity's properties on an annual basis. The Board consider that no revaluation is necessary at 31 March 2021.

On an historical cost basis, the cost and depreciation of these freehold properties would have been as follows:

	2021 Cost £000	2021 Depreciation £000	2020 Cost £000	2020 Depreciation £000
Freehold property	3,673	594	3,673	558

**Break**
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**
**13. Fixed Asset Investments****Investment holdings**

	<b>Unquoted investments £000</b>	<b>Total 2021 £000</b>	<b>2020 £000</b>
Market value at 1 April 2020	<u>8</u>	<u>8</u>	<u>8</u>
Market value at 31 March 2021	<u>8</u>	<u>8</u>	<u>8</u>

**Unquoted investments**

	<b>2021 £000</b>	<b>2020 £000</b>
Subsidiary undertaking:		
Break Trading Company Limited	-	-
Helpcards Holdings Limited (0.67% holding)	<u>8</u>	<u>8</u>
	<u>8</u>	<u>8</u>

The investment of £100 in Break Trading Company Limited (01300043), a company incorporated in England, represents 100% of the issued share capital of that company. The company has remained dormant throughout the year. The aggregate amount of net assets attributable to Break is £nil (2019/20: £nil). As at 31 March 2021 the company owed £877 (2019/20: £877) to Break.

In the opinion of the Board, on the basis of income received, the value of the investments in Helpcards Holdings Limited is unchanged from 2019/20.

**14. Stocks**

	<b>2021 £000</b>	<b>2020 £000</b>
Retail goods for resale	<u>1</u>	<u>-</u>

**15. Debtors**

	<b>2021 £000</b>	<b>2020 £000</b>
Trade debtors	716	381
Accrued income	212	190
Other debtors	208	237
Prepayments	201	83
	<u>1,337</u>	<u>891</u>

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16. Cash in bank and in hand

	2021 £000	2020 £000
Current accounts	534	476
Treasury and other deposits	1,804	401
Cash in hand and imprest accounts	39	32
	<u>2,377</u>	<u>909</u>

17. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Mortgages	167	70
Trade creditors	196	86
Social security and other taxes	127	150
Accruals	61	10
Deferred income	41	1
Other creditors	46	6
	<u>638</u>	<u>323</u>
Secured creditors included above are as follows:		
Mortgages: Secured by fixed charges over the Charity's freehold properties	167	70
Deferred income included above is as follows:		
Brought forward	1	31
Released during the year	(1)	(31)
Deferred during the year	41	1
Carried forward	<u>41</u>	<u>1</u>

Deferred income relates to grants to be carried forward to 2021/22.

**Break**
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**
**18. Creditors: amounts falling due after more than one year**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Mortgages—secured by fixed charges over the Charity's freehold properties	<b>1,356</b>	<b>522</b>
Mortgages are analysed as follows:		
Between one and two years	<b>267</b>	<b>72</b>
Between two and five years	<b>769</b>	<b>179</b>
Over five years	<b>320</b>	<b>271</b>
	<b>1,356</b>	<b>522</b>
Within one year	<b>167</b>	<b>70</b>
	<b>1,523</b>	<b>592</b>

Mortgages include a loan of £205k drawn from Lloyds Bank plc in April 2012 repayable over 10 years at a variable rate of 2% above the Bank of England Base Rate, a loan of £292k drawn from Lloyds Bank plc in September 2011 repayable over 15 years at a variable rate of 2.25% above the Bank of England Base Rate, a loan of £176k drawn from Lloyds Bank plc in June 2013 repayable over 10 years at a variable rate of 2.34% above the Bank of England Base Rate, a loan of £166.5k drawn from Lloyds Bank plc in April 2020 repayable over 15 years at a fixed rate of 4.58% and a loan of £166.5k drawn from Lloyds Bank in May 2020 at a variable rate of 2.75% above the Bank of England Base Rate. During the year (September 2020) Break accessed the Coronavirus Business Interruption Loan scheme and drew down a loan of £1m, this is repayable over 5 years from the term of the first anniversary of the loan, interest is charged at 2.59% above base rate. The loans are secured on various freehold properties.

**19. Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land &amp; buildings 2021 £000</b>	<b>Land &amp; buildings 2020 £000</b>	<b>Motor vehicles 2021 £000</b>	<b>Motor vehicles 2020 £000</b>
Not later than 1 year	<b>598</b>	<b>640</b>	<b>103</b>	<b>84</b>
Later than 1 year and not later than 5 years	<b>1,544</b>	<b>2,298</b>	<b>100</b>	<b>123</b>
Later than 5 years	<b>634</b>	<b>1,689</b>	<b>-</b>	<b>-</b>
	<b>2,776</b>	<b>4,627</b>	<b>203</b>	<b>207</b>

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

20. Funds

2020/21

	Balance as at 01.04.20 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31.03.21 £000
<b>Restricted Funds</b>					
Centre funds	54	7	(2)	-	59
Children in Need	3	20	(23)	-	-
Family Support fund	14	-	(14)	-	-
SCSC	5	1248	(1,175)	-	78
Young Persons Celebration	3	-	-	-	3
CHK Foundation Fund	80	50	(89)	-	41
Staying on Track	36	69	(41)	-	64
Education Officer	-	4	(4)	-	-
Mentoring	-	15	(8)	-	7
Retail – Ebay	-	2	(2)	-	-
Opportunities Team	-	314	(64)	-	250
	195	1,729	(1,422)	-	502
<b>Designated Funds</b>					
Building Futures (My Break 50)	32	-	-	-	32
Commercial Development	75	-	-	(25)	50
Apprenticeships	133	-	-	-	133
West of England Fund	15	-	-	(15)	-
Cambridge Trail	42	5	(48)	1	-
Cambridge Development	50	-	-	(50)	-
Charms Development	13	-	-	-	13
Organisational Well-Being	10	-	-	-	10
Go-Go Discover	-	89	(73)	-	16
Adding Value (Go-Go Hares)	17	-	(1)	13	29
Go-Go Hares	374	-	-	(1)	373
Building repairs	-	-	-	77	77
	761	94	(122)	-	733
<b>Unrestricted Funds</b>					
Revaluation reserve	875	-	-	(240)	635
General Funds	3,161	10,867	(10,491)	240	3,777
	4,036	10,867	(10,491)	-	4,412
Total unrestricted funds	4,797	10,961	(10,613)	-	5,145
<b>Total Funds</b>	<b>4,992</b>	<b>12,690</b>	<b>(12,035)</b>	<b>-</b>	<b>5,647</b>

**Break**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Funds (continued)**

**2019/20**

	Balance as at 01.04.19 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31.03.20 £000
<b>Restricted Funds</b>					
Centre funds	41	21	(11)	3	54
Children in Need	4	43	(44)	-	3
Thompson Family Trust	50	-	(50)	-	-
Family Support fund	15	4	(5)	-	14
SCSC	58	1,022	(1,075)	-	5
Wymondham Rotary	4	-	(1)	(3)	-
Young Persons Celebration	-	3	-	-	3
CHK Foundation Fund	-	100	(20)	-	80
Staying on Track	13	79	(56)	-	36
	185	1,272	(1,262)	-	195
<b>Designated Funds</b>					
Building Futures (My Break 50)	31	-	1	-	32
Commercial Development	100	-	(25)	-	75
Apprenticeships	150	-	(17)	-	133
West of England Fund	15	-	-	-	15
Cambridge Trail	50	88	(96)	-	42
Cambridge Development	50	-	-	-	50
Charms Development	20	-	(7)	-	13
Organisational Well-Being	15	-	(5)	-	10
Go-Go Discover	-	34	(75)	41	-
Adding Value (Go-Go Hares)	32	-	(15)	-	17
Go-Go Hares	434	-	(19)	(41)	374
	897	122	(258)	-	761
<b>Unrestricted Funds</b>					
Revaluation reserve	428	447	-	-	875
General Funds	3,388	11,318	(11,545)	-	3,161
	3,816	11,765	(11,545)	-	4,036
Total unrestricted funds	4,713	11,887	(11,803)	-	4,797
<b>Total Funds</b>	<b>4,898</b>	<b>13,159</b>	<b>(13,065)</b>	<b>-</b>	<b>4,992</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Restricted Funds**

The Centres Fund - relates to all income restricted to spending on equipment etc. at the various care homes.

Children in Need – provides funding for Time for Me projects which helps children aged 4-15 who are finding it difficult to cope with the effects of their parents' separation.

Family Support Fund - this includes funds from the Great Yarmouth Contact Centre and grants from the Norwich Consolidated Charities and Garfield Weston to provide family support through projects run by the Break Family Centre.

Staying Close Staying Connected - a programme funded by the Department for Education to provide housing and support for care leavers.

Young Persons' Celebration - grants from the A Boswell CT and the Ardwick Trust to support the YP's Celebration in 2021.

CHK Foundation - grants from CHK Foundation to support aspirational projects with young people.

Staying on Track - a grant from Esmee Fairbairn Foundation to provide an emotional well-being service to young people aged 18 - 24.

**Designated Funds**

Building Futures Fund (My Break 50) - a fund set up to celebrate Break's 50th Anniversary to support "Our Young people, our Communities and our Future"

Commercial Development Fund - a fund set up to provide start-up funding for innovative income generating projects.

Apprenticeships Fund - a fund to create apprenticeship opportunities for our young people.

West of England Fund - a fund to support the work of Break's partner charity in the West of England.

Cambridge Trail Fund - a fund to provide development funding for the 2021 Cambridge Sculpture Trail.

Cambridge Development Fund - to fund initiatives to develop Break's services and profile within Cambridgeshire.

Charms Development Fund - to promote, develop and expand the use of the Charms data collection and management systems within Break's care services.

Organisational Well-being Fund - to foster and encourage good practice in the care and development of Break's staff.

The Go-Go Discover Fund - for income and expenditure for the future Go-Go Discover Trail.

Adding Value Fund - a fund from the profits of the Hares trail to make special provision for the users of Break's services.

The Go-Go Hares Fund - the remaining profits of the Go-Go Hares Sculpture Trail in 2018 to support young people leaving care.

The Building repairs fund has been created to set aside monies for major works to properties such as boiler replacement and roof repairs.

**Break****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2021****21. Analysis of net assets between funds**

	Unrestricted £000	Designated £000	Restricted £000	Total £000
Tangible fixed assets	3,918	-	-	3,918
Investments	8	-	-	8
Current assets	2,480	733	502	3,715
Current liabilities	(638)	-	-	(638)
Long-term liabilities	(1,356)	-	-	(1,356)
<b>Total net assets</b>	<b>4,412</b>	<b>733</b>	<b>502</b>	<b>5,647</b>

<b>2019/20</b>	Unrestricted £000	Designated £000	Restricted £000	Total £000
Tangible fixed assets	4,029	-	-	4,029
Investments	8	-	-	8
Current assets	817	764	219	1,800
Current liabilities	(296)	(3)	(24)	(323)
Governance	(522)	-	-	(522)
<b>Total net assets</b>	<b>4,036</b>	<b>761</b>	<b>195</b>	<b>4,992</b>

**22. Company status**

Break is a company limited by guarantee and has no share capital. The members of the Charity total 15 and comprise the current Trustees and the two founder members. Each of the members undertakes to contribute such amounts (not exceeding £1) as may be required in the event of a winding up.

**23. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021 £000</b>	<b>2020 £000</b>
Net income / (expenditure) for the year	655	(353)
Interest receivable	(5)	(7)
Interest payable	33	21
Loss on disposal of tangible assets	7	12
Depreciation	101	124
Impairment	-	133
Increase in stocks	(1)	-
Increase in debtors	(446)	(320)
Increase / (decrease) in creditors	218	(150)
<b>Net cash flow from operating activities</b>	<b>562</b>	<b>(540)</b>

## Break

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2021

#### 24. Analysis of changes of net debt

	At start of year £000	Cash flows £000	Other changes £000	At end of year £000
Cash	508	65	-	573
Cash equivalents	401	1,403	-	1,804
Loans falling due within 1 year	(70)	(97)	-	(167)
Loans falling due after more than 1 year	(522)	(834)	-	(1,356)
Total net assets	317	537	-	854

#### 25. Pension and other post retirement benefits

##### Defined contribution plans

The Charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £387k (2018/19 £423k). At the year end £45k (19/20 £5k) was payable to the scheme.

#### 26. Events after the end of the period

At the year end, all of the Charity's shops were temporarily closed due to the Government's Lockdown restrictions relating to the Coronavirus pandemic. From the 12<sup>th</sup> April 2021, the retail outlets reopened and retail staff came off furlough.

#### 27. Contingent liability

On the retirement of two of the founders of Break in late 2002 and early 2003, Break entered into separate agreements with the retiring founders. Under the agreements, annual payments of £3,500 were to be paid for life, with a 50% annual payment to the surviving spouse for their life time. Following the death of one of the retired founders in April 2017, the annual payment for the surviving spouse was £6,906 per annum as at 31 March 2021. Based on standard actuarial assumptions, Break calculates the value of the future potential liability at £81k as at 31 March 2021.

These arrangement has been agreed by the Charity Commission.

#### 28. Related party transactions

During the year the charity received sponsorship income of £5,000 (2019/20 - £Nil) towards the Go-Go Discover trail from the Aspiration Group, owned 100% by Mrs A Ovens, who is a Trustee of Break..

#### 29. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2021 £000	2020 £000
<b>Financial assets</b>		
<i>Equity instruments measured at cost less impairment:</i>		
Fixed asset unlisted investments	8	8