



Break
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Charity number 286650
Company number 01699685

Break

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Contents	Page No.
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 2022

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

Mrs B Hall B.Ed (Hons) NPQH, PgD, SSStJ	(Chair from 19.07.21)
Mr A P K Roy	(resigned 19.07.21)
Mr F M E Shippam FCA, DChA	(Treasurer)
Mrs M Corti FCCA, MBA	
Ms J Darlington MA (Cantab)	
Mr N Dobson	(appointed 04.04.22)
Mr D Evans	(resigned 12.01.22)
Mr S Fowler TD, LLB	
Mr G Gildersleeve MA, DipSW	(resigned 18.10.21)
Mrs S Harvey	(appointed 19.07.21)
Mr L Hilldrup-Boorman	(resigned 27.10.21)
Mrs A Joyce BSc	(resigned 04.10.21)
Mr T Krykant	(appointed 20.04.22)
Mrs P Ledward	(appointed 12.01.22)
Mrs A L Ovens FCCA, DipIFR, MIoD	
Mr J Sam MBCS, CITP, MIoD	
J Stanley	(resigned 15.07.22)

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 2022

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 2022 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 financial statements 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. Five Trustees resigned during the year and four 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, both 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 work 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 2022**

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

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 this year, although Break's services have not been impacted as much by the pandemic as the previous year, we have seen increased staff absence from services while Covid isolation measures were in place which has led to increased pressure in teams and increased costs in services. At the start of the financial year our retail operations were closed in compliance with the lockdown restrictions, once allowed to they were opened during the week commencing 11th April 2021, and since then sales have remained at a level higher than budgeted. Our fundraising activities that were impacted as all physical events had to be suspended restarted in the year, including a major Sculpture Trail that commenced in 2021.

We continued to be able to access Government support for our retail activities at the start of the financial year. The Coronavirus Business Interruption Loan taken out in the previous year was repaid in full.

The pandemic restrictions influenced the services we were able to deliver, some of those changes made to ensure service delivery remain where they have worked better than pre pandemic methods. Throughout the year, Break's staff have worked hard to ensure our young people felt safe, secure and supported within the services as we came through the pandemic. Our retail staff who were furloughed for prolonged periods in the previous year and at the beginning of this financial year, 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 2022

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. Every year we have young people move in and out of our homes but not our hearts. Although young people move on from our homes that is not where our support stops as we are with our young people through their life through our other services. Some of the progressions on from Break included a successful family re-union with their family, transition into the Staying Close Staying Connected service and into another semi-independence provision. The 3 young people have remained settled in all their new homes and this is a testament to the stability created within them and their relationships with those teams and experiences over the years within the homes.

In the year, we **cared for 20 young people** within our four homes. Three of the four homes are rated as 'Good' by Ofsted, with one home rated as Requires Improvement due to significant staff shortages. This situation was rectified quickly and at the next Ofsted Inspection the service was able to evidence considerable progress with Ofsted grading the service as having "improved effectiveness". Our average length of placement at the end of March 2022 was 2.3 years, with 3 young people living at their Break Home for 4 years or more. At 31 March 2022, 55% 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 to offer this care from and a further home Primrose House in Early 2021. 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 teams access comprehensive training programmes, and developed their skills and confidence to meet the needs of young people.

We work closely with Norfolk Commissioning teams to ensure placements are suitable, a lot of emphasise is put into pre-planning and with careful management and joined up working from the team around the child the transition for the young people is smooth and is a big factor in the successful transition. The service along with all our other ones is supported by the Break Therapeutic Team where we discuss strategies and carry out reflective practice looking at what's going well and what we are finding difficult. The nature of the provision is that we do face a variety of challenging situations. This puts a lot of importance on a close and committed team which our teams do incredibly well.

Break has worked in collaboration with the local authority to manage and respond to high risks. Birchwood and Primrose House have been a home to 5 **young people** in the year and both are rated as 'Good' by Ofsted.

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 shorter periods, a term or two up to longer interventions of 2 to 3 years. On average **BTS support 50** different children and families a week.

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

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.

Working alongside children and young people who have experienced trauma is complex, requiring teams and professionals to remain empathetic, sensitive and focussed on the young people's needs. To do this, they need to understand where our young people's struggles come from and that the behaviours we see are trauma responses. During the year BTS has developed a 2 day Foundation Trauma and Attachment training course which is being rolled out to all staff over the coming 12months.

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 aim is to empower young people to learn how to maintain a relationship, experience new activities and create a solid foundation to build their future self. Having someone outside their everyday network whom they can speak openly to and support in building their self-esteem, self-worth and confidence.

The Break Mentoring Service is dynamic, and has continued to change and evolve in response to the current climate. We offer a Peer Mentoring facility, 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. The focus of Peer Mentoring is for young people who have experienced challenges to support those who are currently going through similar challenges. Empowering through knowledge, skills, someone to speak openly to who is accessible and approachable.

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 **9 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.

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Staying Close, Staying Connected

Staying Close, Staying Connected (SCSC) offers a framework for young people as they leave residential care and this year through funding from CHK Foundation we have extended this offer to those leaving Foster 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 **20 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 the needs of the service we now lease 4 one bed flats.

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.

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 24 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. The service received a Good rating from Ofsted during the year.



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 supported **21 families**.

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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. The service also provides opportunities for our young people to have experiences that would otherwise be out of reach due to the challenges that their disability brings, this has included in the year trips to climbing walls, ski slopes and an indoor skydiving centre.

We provided short breaks to 25 young people for a total of 959 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 residential children's home for young people with learning disabilities and complex needs. During the year **we supported 5** 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 alongside activities they enjoy such as trips to the cinema, beach, park, together with drives which the young people find relaxing. The home is filled with sensory equipment which is very important to our young people as it enables them to relax in the comfort of their own home.

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 spending time together at Morley, going out to cafes and supporting families to have holidays together.

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 6** young people.

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 2022

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.

Our aspiration projects continue to offer new experiences and opportunities for our young people to try new things and develop their peer network. We have hosted 9 residential and camping events which give our young people the chance to co-produce their experience over a number of days and take part in all kinds of activities both indoors and outdoors and while developing life skills such as cooking, cleaning, budgeting and living together. Over the year **42 young people** from a range of our care services were able to access these residencies and camping trips and enjoy a wide range of aspirational activities from sharing a picnic in the park to Go karting and Paintballing. All these activities give our young people the opportunity to build friendships and develop their support network with their peers. We have seen some great bonds develop over the year with many of our young people meeting up independently and socializing outside of our break events.

We continue to develop strong partnerships with other organisations which help us to deliver the aspirational work that we do, one of those is with Wrongs Covert where our young people get the opportunity to be in nature for the day or over a few weeks to understand conservation and to detox from their normal lives. Through facilitators at this site we can offer our young people opportunities from building and construction in nature to storytelling and performance. During our greening communities project our young people worked first hand on building board walks and path ways to make this space more accessible, something they have been so proud of and which has led to even more opportunities for volunteering and employment in the local community.

During the course of the year the coffee van has attended over 70 events from small car park gatherings for some of our corporate supporters to a local 3 day music festival and has worked with young people providing coffee making workshops with all of our care services including fostering SCSC and residential. We have delivered barista training sessions for **9 young people** and offered work to **7 young people**.

The aim of the project has always been to help our young people into employment and we are so pleased that over the last year we have seen 3 of our young baristas move onto new jobs, safe in the knowledge that we will always be there for them if they need our help.

Our construction workshop gives our young people the chance to develop their skills in construction and explore the potential careers on offer there. The project has supported **16 young people** and is working regularly with students in further education to provide additional tutoring for those in need of extra support.



Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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. Our volunteers are able to give something back, learn new skills and meet new people within a friendly environment. 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 previous year to 31 March 2021 Break had to close its shops for several months due to the national lockdown restrictions. We were able to open fully during April 2021 and would like to thank our donors and customers for coming back to us and helping contribute to a successful year. 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 **671 volunteers** worked in our shops.



At the year end, **Break had 45 shops plus an online operation**, 30 in East Anglia and 15 in the West Country. There are plans to open an additional shop in Norwich during 2022 with a specialist Wedding and Prom department providing reasonably priced items for these very special occasions in people's lives.

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. The pandemic led to the cancellation of a calendar of planned fundraising events however, these have now started to recommence. During the year the postponed Cambridge Sculpture trail came to a successful conclusion with the Auction in September 2021.



The table below shows some of the restricted grant funding we received in the year following successful grant applications.

Funder	Break Service	Amount
CHK Foundation	Staying Close, Staying Connected - Fostering Futures	£117,000
Esmee Fairbairn Foundation	Staying on Track	£83,688
Garfield Weston Foundation	Opportunities Team	£25,000
Masonic Charitable Foundation	Opportunities Team	£21,500
Norwich Consolidated Charities	Staying Close, Staying Connected	£19,140
Anguish's Educational Foundation	Opportunities Team	£15,000
Insurance Industry Charitable Foundation	Opportunities Team	£10,000
The Educational Foundation of Alderman John Norman	Opportunities Team	£10,000
Norfolk Community Foundation	Residential - Education	£8,000
Esmee Fairbairn Foundation	Opportunities Team	£7,500
Social Investment Business	Opportunities Team	£7,000
Martin Laing Foundation	Opportunities Team	£6,000
BBC Children in Need	Break Therapeutic Service	£5,938
The Geoffrey Watling Charity	Opportunities Team	£5,000
The Educational Foundation of Alderman John Norman	Education	£5,000
Norfolk Community Foundation Greening Communities	Opportunities Team	£4,950
Norfolk Community Foundation	Break Therapeutic Service	£3,489
The Outlook Fund – Cambridge Community Foundation	Staying Close, Staying Connected	£3,000
Norfolk Community Foundation	Staying Close, Staying Connected, BTS - Food Vouchers	£1,400

In addition to the above we have also received unrestricted income from Trusts and Foundations. We thank all our Funders for the support they offer which helps the young people within our services.

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

B) Financial Review

Results

Break made a surplus of **£286k** (2020/21 £655k) for the year. This comprised a surplus of **£358k** (2020/21 £376k) on unrestricted funds, a surplus of **£174k** (2020/21 deficit £28k) on designated funds and a deficit of **£246k** (2020/21 surplus £307k) on restricted funds. The value of net assets rose from £5,647k to **£5,933k**. Of these, unrestricted funds accounted for **£5,677k** (2020/21 £5,145k) (including designated funds of **£794k** (2020/21 £733k)).

The lockdowns in 2020/21 had a significant impact upon our retail trading, however this year we were able to trade from the week commencing 11 April 2021 and our results are detailed in note 4.

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. The Finance Committee reviewed the Reserves Policy in February 2022 alongside the budget for April 2022 to March 2025 and recommended to the Board of Trustees a target for free reserves of £1,092k.

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.

Free reserves as at 31 March 2022 were £1,511k (2020/21 £1,008k). Free reserves were higher than the target due to increased costs planned for 2022/23 where £462k of reserves held at March 2022 will be used to fund expenditure in the next financial year.

As at 31 March 2022, the Charity had Designated Funds of **£794k** (2020/21 £733k). 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 2022, the Charity had Restricted Funds of **£256k** (2020/21 £502k). 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.

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

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

During the year the Board carefully assessed the impact of the Coronavirus pandemic on Break's activities and finances. Fundraising and retail activities resumed and the impact from the restrictions was negligible. Both of these income generating functions support charitably funded work undertaken by Break. The £1m Coronavirus Business Interruption Loan was repaid in the year as the facility was no longer required. With continued easing of Government restrictions the Trustees consider the impact of Covid-19 to be manageable and have minimal impact on the Charity going forward.

The services commissioned directly by local authorities were not affected from a financial point of view but new methods of management and operation had to be applied and, where efficiencies have been made, these have been adopted on an ongoing basis. 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 throughout the year:

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

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

Measures agreed by the Trustees are in place to mitigate these risks.

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 impacting 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.

C) Plans for future periods

The Trustees anticipate a challenging year ahead for the Charity in light of inflationary rises impacting expenditure which is not always matched in income, especially that which is restricted by contractual terms.

We have seen a strong return to our income streams from our retail and fundraising activities, sustaining these levels is key. The 2022 **GoGo Discover** trail will go ahead in the summer which follows the success of a smaller trail of T-Rex sculptures in 2021 around Norwich. The 2022 trail will be a larger county-wide trail of T-Rex and Steppe Mammoths, culminating in a charity auction in September 2022.

Our Vision 2022-2025

Throughout 2022/23 Break will continue to develop the 2021-2025 vision. This will build on the successes of 2021/22, as despite the challenges caused by the Coronavirus pandemic, Break met and surpassed many of the targets within the strategy.

The focus for 2022/23 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 2022/23 Break will look to

- Increase the pathway to education, employment opportunities and develop the Coffee Break and Building Futures projects to support young people into education and the work place.
- Increase the Staying Connected (leaving care) service to offer the support to more young people – working with the Department of Education to share our expertise across the country
- Create a bespoke education offer to young people to support them to achieve in all areas of their lives
- 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.
- Ensure that all who work at Break understand the role they play in changing young lives – making everything Break does connected to our purpose.
- Create a positive shift in the de-stigmatisation of young people who are care experienced.

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

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 £10. The Memorandum of Association was updated in 2021 to reflect current practices and specific changes were made to section 19,28,32,38 and 58 relating to terms of office and number of Trustees, none of these changes were fundamental to the scope and purpose of the charity.

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.

Trustees shall hold office for an initial term of three years from the date of their election at the end of which they shall retire but shall be eligible for re-election for up to a further two terms of three years.

Trustee Induction and Training

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

Members

During the year in accordance with the Memorandum and Articles of Association a number of ex trustees were invited to become members.

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, Income Generation, Care Services, and Risk, Governance and HR. These are chaired by Board members and involve Executive Officers and some of the wider staff team.

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

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

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>
B Hall (Chair from 19.07.21)	5	5
A Roy (Chair to 19.07.21)	2	2
F Shippam (Treasurer)	4	5
M Corti	5	5
J Darlington	4	5
D Evans (to 12.01.22)	3	4
S Fowler	4	5
G Gildersleeve (to 18.10.21)	2	2
S Harvey (from 19.07.21)	3	4
L Hilldrup-Boorman (to 27.10.21)	2	3
P Ledward (from 12.01.22)	1	1
A Ovens	4	5
J Sam	4	5
J Stanley	3	5

The Finance Committee usually meet three times a year. However, due to the Coronavirus pandemic, four meetings took place to allow the close monitoring of the Charity's finances as we came out of Lockdown in early 2021. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
F Shippam (Chair)	4	4
M Corti	4	4
J Darlington	4	4
B Hall	3	4
A Ovens	2	4
A Roy (to 19.07.21)	2	2

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>
S Fowler (Chair from 18.10.21)	4	4
G Gildersleeve (Chair to 18.10.21)	2	3
M Corti	4	4
J Darlington (from 15.06.21 to 15.07.21)	1	1
D Evans (to 12.01.22)	2	3
B Hall	4	4
P Ledward (from 12.01.22)	1	1
A Roy (to 19.07.21)	2	2
J Stanley	3	4

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Income Generation Committee met three times during the year. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
A Ovens (Chair)	3	3
J Darlington	3	3
B Hall	3	3
L Hilldrup-Boorman (to 27.10.21)	1	1
A Roy (to 19.07.21)	-	1
J Sam	3	3

The Risk, Governance and HR Committee met five times during the year. Attendance was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
B Hall (Chair from 19.07.21)	5	5
A Roy (Chair to 19.07.21)	1	1
M Corti	5	5
S Fowler (to 19.07.21)	1	1
S Harvey (from 19.07.21)	4	4
J Sam	5	5

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 (2020/21 – 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 2022

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 £285,000 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 terms of service, staff wellbeing and Mental Health Awareness.

The wider views of staff are also sought by on-line questionnaires and other surveys. Staff have been consulted in their career aspirations and the wellbeing activities offered through Break. The results have been fed back to staff and the feedback has formed part of the strategies.

Survey results provide an important source of information to Break's management for the assessment of Break policies and practice. Break was awarded a Gold standard by IIP in 2020 and has had positive reviews in the subsequent two years.

Break continued to increase the communication with employees and volunteers during the year. The frequency of a news update from the CEO was increased from monthly to a weekly update during the Coronavirus pandemic to keep staff informed of Break's response to the rapidly changing situations and this has continued. The Director of Care reports on a weekly basis to all colleagues in care services covering achievements and activities in the division. In 2022, there will be a key focus on communication and consultation with colleagues to ensure updates reach the whole workforce.

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.

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

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 2019 (FRS102);
- 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:

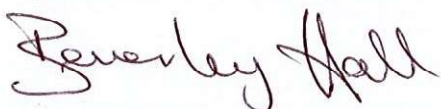
- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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 19th July 2022 and signed on its behalf by:



Beverley Hall, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Break (the 'charitable company') for the year ended 31 March 2022 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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.



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

19/07/2022

Break

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	2022 Total £000	2021 Total £000
Income from:						
Donations and legacies	2	384	644	1,267	2,295	2,735
Charitable activities	3	6,885	-	286	7,171	7,180
Other trading activities	4	4,095	-	-	4,095	1,447
Investments	5	1	-	-	1	5
Other	6	46	-	-	46	1,323
Total		11,411	644	1,553	13,608	12,690
Expenditure on:						
Raising funds	7	3,722	460	-	4,182	3,415
Charitable activities	7	7,331	10	1,799	9,140	8,620
Total	7	11,053	470	1,799	13,322	12,035
Net income / (expenditure)		358	174	(246)	286	655
Transfers between funds		113	(113)	-	-	-
Net movement in funds		471	61	(246)	286	655
Reconciliation of funds						
Total funds brought forward		4,412	733	502	5,647	4,992
Total funds carried forward	20	4,883	794	256	5,933	5,647

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

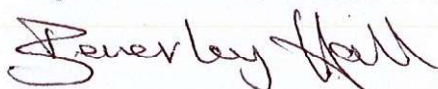
AS AT 31 MARCH 2022

COMPANY NUMBER:0699685

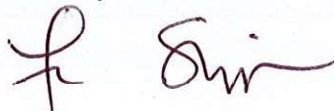
	Note	2022 £000	2021 £000
Fixed assets			
Tangible fixed assets	12	3,814	3,918
Investments	13	8	8
		<u>3,822</u>	<u>3,926</u>
Current assets			
Stock	14	-	1
Debtors	15	996	1,337
Cash at bank and in hand	16	2,101	2,377
		<u>3,097</u>	<u>3,715</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(611)	(638)
Net current assets		<u>2,486</u>	<u>3,077</u>
Total assets less current liabilities		<u>6,308</u>	<u>7,003</u>
Long-term liabilities			
Creditors: amounts falling due after more than one year	18	(375)	(1,356)
Total net assets		<u>5,933</u>	<u>5,647</u>
The funds of the Charity			
Restricted funds	20	256	502
Unrestricted funds			
Designated funds	20	794	733
General funds	20	4,248	3,777
Revaluation reserve	20	635	635
		<u>5,677</u>	<u>5,145</u>
		<u>5,933</u>	<u>5,647</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 19th July 2022.

Signed on behalf of the Board of Trustees



Beverley Hall, Trustee



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 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities	23	842	562
Cash flows from investing activities			
Purchase of tangible fixed assets		(17)	(7)
Proceeds from the sale of tangible assets		-	10
Interest paid		(29)	(33)
Interest received		1	5
Net cash flow from investing activities		(45)	(25)
Cash flows from financing activities			
Mortgage advances		-	1,000
Repayment of mortgage		(1,073)	(69)
Net cash flow from financing activities		(1,073)	931
Net (decrease) / increase in cash and cash equivalents		(276)	1,468
Cash and cash equivalents at 1 April 2021		2,377	909
Cash and cash equivalents at 31 March 2022		2,101	2,377
Cash and cash equivalents consist of:			
Cash at bank and in hand		446	573
Short term deposits		1,655	1,804
Cash and cash equivalents at 31 March 2022		2,101	2,377

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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. The most significant of these judgements relates to the valuation of the charity's properties as per accounting policy g) below

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 coming out of the Covid-19 pandemic and the inflationary pressures 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.

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 charity's subsidiary company remained dormant for the year ended 31 March 2022 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022

2. Income from donations and legacies

	Unrestricted	Designated	Restricted	2022	2021
	£000	£000	£000	£000	£000
Grants & donations	177	644	427	1,248	757
Government Grants:-					
Service Delivery	-	-	840	840	866
RHLG	163	-	-	163	965
CBILs	11	-	-	11	15
Legacies	33	-	-	33	132
	384	644	1,267	2,295	2,735

Income from donations and legacies in 2020/21 included £1,343 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 that was repaid in the year.

3. Income from charitable activities

	Unrestricted	Designated	Restricted	2022	2021
	£000	£000	£000	£000	£000
Fees for care services	6,726	-	15	6,741	6,776
Housing income	147	-	271	418	382
Training income	12	-	-	12	22
	6,885	-	286	7,171	7,180

Income from charitable activities in 2020/21 included £386k attributable to restricted funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4. Income from other trading activities

	2022	2021
	Unrestricted	Unrestricted
	£000	£000
Rental income from Property	5	12
Fundraising sale of new goods	2	10
Coffee van sales	12	4
Retail income – see analysis below	4,076	1,421
	<u>4,095</u>	<u>1,447</u>

Analysis of Retail Income	2022	2021
	£000	£000
Retail income	4,062	1,415
*Sale of new goods	14	6
	<u>4,076</u>	<u>1,421</u>
Government Support		
RHLG Grants – (Note 2)	163	965
CJRS Grants (Note 6)	23	645
	<u>186</u>	<u>1,610</u>
	<u>4,262</u>	<u>3,031</u>
Retail costs	(3,504)	(3,032)
Surplus / (Deficit)	<u>758</u>	<u>(1)</u>

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

5. Income from investments

	Unrestricted	Unrestricted
	2022	2021
	£000	£000
Interest receivable	1	5
	<u>1</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Other income

	Unrestricted	Unrestricted
	2022	2021
	£000	£000
Miscellaneous income	14	395
Coronavirus Job Retention Scheme	32	928
	<u>46</u>	<u>1,323</u>

In the previous 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 £Nil (2020/21 £2k) relating to designated income.

The Coronavirus Job Retention Scheme income relates to furloughed employees across the Charity

7. Analysis of Expenditure by Activity

	Direct costs	Support costs	2022	2021
	£000	£000	Total	Total
	£000	£000	£000	£000
<i>Charitable expenditure</i>				
Young people in Care	2,467	518	2,985	3,024
Children with disabilities	2,247	454	2,701	2,591
Family Support	1,346	289	1,635	1,532
Children at risk	1,419	312	1,731	1,473
Support Services	-	88	88	-
	<u>7,479</u>	<u>1,661</u>	<u>9,140</u>	<u>8,620</u>
<i>Raising funds</i>				
Retail and other trading activities	3,050	465	3,515	3,039
Fundraising	613	54	667	376
	<u>3,663</u>	<u>519</u>	<u>4,182</u>	<u>3,415</u>
	<u>11,142</u>	<u>2,180</u>	<u>13,322</u>	<u>12,035</u>

Charitable expenditure includes £1,799k attributed to restricted funds (2020/21: £1,420k) and £10k (2020/21: £1k) relating to designated funds, all other expenditure was unrestricted.

Expenditure on raising funds includes £Nil (2020/21 £2k) attributed to restricted funds and £460k (2020/21 £121k) relating to designated funds, all other expenditure was unrestricted.

Break**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022****Governance costs**

	2022	2021
	£000	£000
Governance costs (included within support costs below) comprise:		
Salaries	59	21
Travel	1	1
Audit fees	12	13
Auditors' remuneration for non-audit services	1	1
Other professional fees and support costs	-	1
	<u>73</u>	<u>37</u>
Expenditure includes:		
Depreciation (owned assets)	91	101
Loss on disposal of assets	30	7
Operating lease rentals land and buildings	857	803
Trustees' indemnity insurance	-	1
Auditors' remuneration	12	13
	<u>912</u>	<u>925</u>

8. Analysis of support costs

	<i>Basis of allocation</i>	2022	2021
		£000	£000
<i>Direct support costs</i>			
Operational management	Direct expenditure	376	298
Training	Head count	300	285
Maintenance	Direct expenditure	144	213
		<u>820</u>	<u>796</u>
<i>Central overheads</i>			
Head office establishment	Direct expenditure	183	138
Finance	Direct expenditure	247	259
Health & Safety	Head count	73	70
Human Resources	Head count	231	220
Information technology	Head count	209	171
Communications	Direct expenditure	131	136
Chief Executive's Office / Governance	Direct expenditure	286	271
		<u>1,360</u>	<u>1,265</u>
Total		<u>2,180</u>	<u>2,061</u>

9. Interest payable

	2022	2021
	£000	£000
On mortgages not wholly repayable within five years	29	33
	<u>29</u>	<u>33</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff Costs

	2022	2021
	£000	£000
Wages and salaries	7,817	7,454
Social security costs	614	580
Pension contributions and life insurance	417	414
Other staff costs	467	464
	<u>9,315</u>	<u>8,912</u>

The figure for staff costs includes taxable benefits of £28k (2020/21: £28k)

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

	2022	2021
	No.	No.
£60,000 to £69,999	2	-

Pension contributions of £5,736 (2020/21: £Nil) 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:

	2022	2021
	No.	No.
Care	260	239
Fundraising	139	141
Administration	39	37
	<u>438</u>	<u>417</u>

The average number of full time equivalents employed during 2022 was; Care 193 (2020/21 - 183); Fundraising 118 (2020/21 - 72); Administration 34 (2020/21 - 30)

Redundancy/termination payments of £19k (2020/21: £85k) were made in the year. No amounts were outstanding at the year end (2020/21 £Nil).

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 (2020/21 None - £Nil).

Key management personnel are considered to be the Chief Executive and the Executive team as detailed on Page 1. The total amount of employee benefits received by key personnel is £377k (2020/21 £345k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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
Cost or valuation						
At 1 April 2021	3,749	359	714	178	89	5,089
Additions	-	-	-	-	17	17
Disposals	-	-	(29)	-	(6)	(35)
At 31 March 2022	3,749	359	685	178	100	5,071
Depreciation						
At 1 April 2021	-	307	678	127	59	1,171
Charge for the year	-	19	3	51	18	91
Depreciation on disposals	-	-	-	-	(5)	(5)
At 31 March 2022	-	326	681	178	72	1,257
Net book value						
At 31 March 2022	3,749	33	4	-	28	3,814
At 31 March 2021	3,749	52	36	51	30	3,918

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

The freehold properties were revalued as at 31 March 2022 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 2022.

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

	2022		2021	
	Cost £000	Depreciation £000	Cost £000	Depreciation £000
Freehold property	3,673	630	3,673	594

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Fixed Asset Investments

Investment holdings

	Unquoted investments £000	Total 2022 £000	2021 £000
Market value at 1 April 2021	8	8	8
Market value at 31 March 2022	8	8	8

Unquoted investments

	2022 £000	2021 £000
Subsidiary undertaking:		
Break Trading Company Limited	-	-
Helpcards Holdings Limited (0.67% holding)	8	8
	8	8

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 (2020/21: £Nil). As at 31 March 2022 the company owed £877 (2020/21: £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 2020/21.

14. Stocks

	2022 £000	2021 £000
Retail goods for resale	-	1

15. Debtors

	2022 £000	2021 £000
Trade debtors	204	716
Accrued income	461	212
Other debtors	133	208
Prepayments	198	201
	996	1,337

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16. Cash in bank and in hand

	2022 £000	2021 £000
Current accounts	406	534
Treasury and other deposits	1,655	1,804
Cash in hand and imprest accounts	40	39
	<u>2,101</u>	<u>2,377</u>

17. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Mortgages	75	167
Trade creditors	255	196
Social security and other taxes	147	127
Accruals	81	61
Deferred income	1	41
Other creditors	52	46
	<u>611</u>	<u>638</u>
Secured creditors included above are as follows:		
Mortgages: Secured by fixed charges over the Charity's freehold properties	75	167
Deferred income included above is as follows:		
Brought forward	41	1
Released during the year	(41)	(1)
Deferred during the year	1	41
Carried forward	<u>1</u>	<u>41</u>

Deferred income relates to grants to be carried forward to 2022/23.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Mortgages—secured by fixed charges over the Charity’s freehold properties	375	1,356
Mortgages are analysed as follows:		
Between one and two years	56	267
Between two and five years	141	769
Over five years	178	320
	375	1,356
Within one year	75	167
	450	1,523

Mortgages include 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 previous financial year (September 2020) Break accessed the Coronavirus Business Interruption Loan scheme and drew down a loan of £1m, interest was charged at 2.59% above base rate, the loan was repaid in October 2021,. 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:

	Land & buildings 2022 £000	Land & buildings 2021 £000	Motor vehicles 2022 £000	Motor vehicles 2021 £000
Not later than 1 year	594	598	121	103
Later than 1 year and not later than 5 years	1,396	1,544	139	100
Later than 5 years	489	634	-	-
	2,479	2,776	260	203

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

20. Funds

2021/22

	Balance as at 01.04.21 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31.03.22 £000
Restricted Funds					
Centre funds	59	6	(39)	(8)	18
Children in Need	-	6	(6)	-	-
Break Therapeutic Service	-	3	(3)	-	-
SCSC	78	1,113	(1,208)	21	4
Young Persons Celebration	3	-	-	-	3
Norwich Consolidated Charities	-	19	-	-	19
CHK Foundation Fund	41	-	(41)	-	-
Staying on Track	64	84	(89)	(22)	37
Fostering Futures	-	117	(43)	-	74
Education Officer	-	28	(28)	-	-
Mentoring	7	11	(27)	9	-
Opportunities Team	250	166	(315)	-	101
	502	1,553	(1,799)	-	256
Designated Funds					
Building Futures (My Break 50)	32	-	-	-	32
Commercial Development	50	-	-	-	50
Apprenticeships	133	-	(8)	-	125
Cambridge Trail	-	294	(147)	(56)	91
Charms Development	13	-	-	-	13
Organisational Well-Being	10	-	-	-	10
Go-Go Discover	16	350	(313)	-	53
Adding Value (Go-Go Hares)	29	-	(2)	1	28
Go-Go Hares	373	-	-	(133)	240
Building repairs	77	-	-	75	152
	733	644	(470)	(113)	794
Unrestricted Funds					
Revaluation reserve	635	-	-	-	635
General Funds	3,777	11,411	(11,053)	113	4,248
	4,412	11,411	(11,053)	113	4,883
Total unrestricted funds	5,145	12,055	(11,523)	-	5,585
Total Funds	5,647	13,608	(13,322)	-	5,933

Transfers Between funds

During the year transfers were made between funds as follows:-.

Centre funds & Staying on Track - allocation of related expenditure incurred in general funds in the year.

Cambridge Trail – costs incurred in previous years relating to the Cambridge trail incurred in General funds

GoGo Hares - allocation to adding value to support **SCSC**, Moving on Team, Mentoring and the new quality and performance manager.

Building Repairs – Transfer from general funds to build reserves for repairs on the Charity's properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Funds (continued)

2020/21

	Balance as at 01.04.20 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31.03.21 £000
Restricted Funds					
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
Designated Funds					
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
Unrestricted Funds					
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
Total Funds	4,992	12,690	(12,035)	-	5,647

Restricted Funds

Centre funds - 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.

Break Therapeutic services – Grants received to deliver specific sessions for children.

Staying Close Staying Connected (SCSC) - 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.

Norwich Consolidated Charities – Grant for a housing support worker in Norwich

CHK Foundation fund - 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.

Fostering Futures – a CHK funded project providing housing and support to foster care leavers.

Education officer, Mentoring and Opportunities funds are specific funding received to carry out services in these areas.

Designated Funds

Building Futures (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 - a fund set up to provide start-up funding for innovative income generating projects.

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

Cambridge Trail - a fund to provide development funding for the 2021 Cambridge Sculpture Trail and from the proceeds of the trail to invest in care services in Cambridgeshire

Cambridge Development - to fund initiatives to develop Break's services and profile within Cambridgeshire (combined with above fund following auction).

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

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

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

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

Go-Go Hares - the remaining profits of the Go-Go Hares Sculpture Trail in 2018 to support young people leaving care and services adding value to the organisation.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Analysis of net assets between funds

	Unrestricted £000	Designated £000	Restricted £000	Total £000
Tangible fixed assets	3,814	-	-	3,814
Investments	8	-	-	8
Current assets	2,047	794	256	3,097
Current liabilities	(611)	-	-	(611)
Long-term liabilities	(375)	-	-	(375)
Total net assets	4,883	794	256	5,933

2020/21	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)
Total net assets	4,412	733	502	5,647

22. Company status

Break is a company limited by guarantee and has no share capital. Each of the members undertakes to contribute such amounts (not exceeding £10) as may be required in the event of a winding up.

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

	2022 £000	2021 £000
Net income for the year	286	655
Interest receivable	(1)	(5)
Interest payable	29	33
Loss on disposal of tangible assets	30	7
Depreciation	91	101
Decrease / (Increase) in stocks	1	(1)
Decrease / (Increase) in debtors	341	(446)
Increase in creditors	65	218
Net cash flow from operating activities	842	562

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24. Analysis of changes of net debt

	At start of year £000	Cash flows £000	Other changes £000	At end of year £000
Cash	573	(127)	-	446
Cash equivalents	1,804	(149)	-	1,655
Loans falling due within 1 year	(167)	92	-	(75)
Loans falling due after more than 1 year	(1,356)	981	-	(375)
Total net assets	854	797	-	1,651

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 £390k (2020/21 £387k). At the year end £51k (20/21 £45k) was payable to the scheme.

26. 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 2022. Based on standard actuarial assumptions, Break calculates the value of the future potential liability at £74k as at 31 March 2022.

This arrangement has been agreed by the Charity Commission.

27. Related party transactions

During the year the charity received sponsorship income of £5,000 (2020/21 - £Nil) towards the Go-Go Discover trail from the Aspiration Group, owned 100% by Mrs A Ovens, who is a Trustee of Break.

28. Financial instruments

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

	2022 £000	2021 £000
Financial assets		
<i>Equity instruments measured at cost less impairment:</i>		
Fixed asset unlisted investments	8	8