

Company No: 02996621
Charity No: 1168733

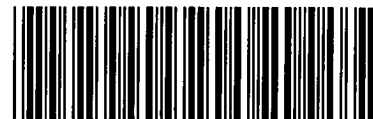


**Report of the Trustees and
Financial Statements
for
the Year Ended 31 March 2019
for
Natural Breaks Limited**

S B
& P

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

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COMPANIES HOUSE

Natural Breaks Limited

**Contents of the Financial Statements
for the Year Ended 31 March 2019**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 19

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Mission

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

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

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

Values

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

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

Our key business objectives for 2018-2019 were:

- To ensure we deliver the highest possible standards to the people we support and their families and carers
- To provide value for money to the people and organisations who commission our services
- To maintain our position as a Tier 1 provider for Liverpool Adult Social Services and be a preferred supplier with all local authorities in the areas where we operate
- To review our mission and strategic objectives
- To review our values and behaviours and implement 'The Natural Breaks Way' programme
- To prepare for renewal of our Investors In People accreditation
- To deliver the financial action plan
- To increase our workforce capability and resilience
- To increase our fundraising capabilities
- To develop innovative solutions to meet the needs of people with disabilities

OBJECTIVES AND ACTIVITIES

Significant activities

Supported Living - We support 30 people providing support at the right level that enables people to live their lives in their own homes. Support is provided by teams who are dedicated to each person. Teams have a co-ordinator who is directly responsible to a senior manager.

Social and Learning - We work with 44 people who have been assessed as needing one or more people to support them. This involves our support staff meeting people at the places where they live or at a pre-arranged place so that they can get out regularly to get involved in things that will enhance their wellbeing i.e. college or other classes; employment or voluntary work; sports and exercise.

Out and About - 13 people use this service which is similar to Social and Learning support, but where people can be safely supported in small groups. The groups take part in various things which mainly centre on social activities, with the focus being on health and wellbeing.

Newquay Holiday - this is an annual event that takes place in August. This year 9 people we support went with 3 staff. The trustees are extremely grateful to Liverpool Lions and Newquay Lions who provided their facilities for us and have done so for free for many years.

Building on the programme launched in 2017 we organised a large number of events in 2018-19. The events held were designed to appeal to different tastes and interests of as many people we support as possible. Where possible the events were opened up to people with needs who are not supported by Natural Breaks and in some cases, the local community. Highlights included:

- Marking the 25th anniversary of our formation with an evening for the people we support (past and present), families, carers and friends and colleagues from other organisations who have helped us over the years.
- A sponsored swim by one of the people we support and their team
- Excursions to Llandudno, Blackpool lights and Chester Christmas market
- A gala entertainment evening where the host and the acts provided their services for free
- Tours of Everton FC and Liverpool FC
- 'A Taste of Life' - where we linked up with Liverpool Community Spirit to learn about culture and cooking
- Summer BBQ - an afternoon of fun held at one of our supported living houses
- Summer Games day - BBQ and games held at the community facilities provided at Millennium House
- Trips to; 'The Greatest Story Ever Told' by In Another Place where people with learning disabilities act and make the props; the Fernand Leger Exhibition at the Tate, Royal Albert Dock; Birkenhead Priory, and a local synagogue.
- Activity sessions; Wheelyboats at Liverpool Water Sports Centre; Accessible bikes with Greenbank Sports Academy; Driving range and crazy golf at Liverpool Golf Centre; 'Make it Monday' - our monthly arts and crafts group; accessing art at the Tate provided by Project Artworks; and Virtual Reality experience where people had the opportunity to try some of the latest VR equipment
- Coffee mornings for Comic Relief and MacMillan
- Global Scouse Day celebration - plates of traditional scouse and a 'know your scouse' fun quiz
- Christmas Party, Christmas jumper day and trip to see a Christmas Panto

Public benefit

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 March 2019 our key achievements were as follows:

- Providing quality services to the people we support and their families and carers. In our carers' survey in 2018, Natural Breaks was rated:
 - by 91% of all respondents, as providing 'excellent' or 'very good' service
 - by 91% of respondents using Social & Learning services, as 'completely' or 'mostly' providing activities that meet the needs of the person we support
 - by 100% of respondents using Supported Living services, as 'completely' or 'mostly' fully understanding the needs of the person we support
 - by 95% of all respondents, that the service coordinator/manager is 'excellent' or 'very good' in dealing with any issues or concerns raised
- Maintaining Tier 1 provider status with Liverpool Adult Social Services based on meeting strict quality and financial criteria in their 2018 contract monitoring exercise.
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Having an overall rating of GOOD by Care Quality Commission (inspection November 2017). The inspection focused on the five key areas as to whether the service provided is safe, effective, caring, responsive and well-led. Natural Breaks was rated as GOOD in all areas.
- Reassessing our mission around our belief that 'Living an ordinary life can be extraordinary'.
- Commencing a review of our values and behaviours, involving trustees, managers, staff, people we support and their families.
- Renewing our Investors In People accreditation. The assessor commented:
'Natural Breaks are to be congratulated on this impressive achievement of gaining accreditation against the generation 6 Investors in People Standard at the first time of asking. The generation 6 Standard is a step forward from the previous generation 5 and is somewhat more challenging for organisations to be successful, so the credit to all the staff concerned for this performance should not be underestimated.'
- Adhering to our financial action plan, which enabled us to increase income and keep costs under control whilst increasing our pay rates for lower paid staff so that we are no longer a minimum wage employer.
- Introducing a Long Service awards scheme as a modest but important way of recognising staff loyalty.
- Forming an alliance with St Helens Chamber of Commerce to deliver our apprenticeship scheme, enabling eight staff to undertake developmental training.
- Launching our new website (<https://www.naturalbreaks.co.uk/>) which provides improved information about our activities, better access through social media and secure fundraising facilities.

Identifying an accessible caravan in North Wales and focussing our fundraising activities to procure this in 2019-2020.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

Our fundraising activities gained momentum in 2018-19 with more staff, people we support and their families being involved. Overall, we raised £3,509, mainly through the following:

- a sponsored swim by a person we support and their staff
- a combined 5k and 10k run by our Chair of Trustees
- a gala entertainment evening arranged through a family member, where the host and acts gave their services for free
- our Chief executive's daughter who will be running for Natural Breaks in the 2019 London Marathon 2017-18
- staff and one of our trustees who will be doing a sponsored abseil in summer 2019
- donations from individuals and organisations connected with our staff and trustees

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

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

Internal and external factors

The trustees are delighted with the way that our Chief Executive, Diane Hesketh, has introduced so many positive changes to the organisation. Under her leadership there is a really strong sense of motivation throughout the management team and workforce. She lives and breathes the values of Natural Breaks and has great rapport with the people we support and their families on an individual basis and at events held.

Last year we reported on our approach following the Court ruling in favour of Mencap in the case of sleep-in back pay that overturned an employment tribunal which ruled that workers were entitled to National Minimum Wage (NMW) for every hour of a sleep-in shift. Our current understanding is that an appeal is to be made. Natural Breaks does have staff who work sleep-ins and we continue to pay above the National Minimum Wage for these shifts. The trustees continue to monitor the situation.

FINANCIAL REVIEW

Financial position

Historically the organisation has achieved a small surplus each year enabling a build-up reserves for leaner periods. Until 2017-18, the organisation had successfully balanced the downward pressures on income, given the reliance on funding from adult social care, with the upward pressures on costs.

The trustees anticipated 2018-19 to be a year when the organisation would need to continue to use some of the accumulated reserves and had in place a Financial action plan. As a result, income grew by 6% but continued upward pressures on costs, predominately employee costs (e.g. pay and pension), although tightly managed, resulted in expenditure increasing by 9%. Overall, however, the result was better than forecast in the plan.

The trustees have agreed a financial sustainability plan for 2019 through to 2021 with the aim of returning to surplus in 2021.

Principal funding sources

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

There was an increase in funds raised through donations and events. Although currently relatively small this represented a significant increase on the previous year reflecting our embryonic fundraising activities gaining momentum.

There were no restricted grants or funds in 2018-19.

Investment policy and objectives

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

FINANCIAL REVIEW

Reserves policy

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

The level of reserves at 31 March 2019 is £398,324. The trustees acknowledge that this level is marginally higher than that required by the reserves policy but they believe that at this time of transition and general economic uncertainty, it is appropriate. The reserves policy will be kept under regular review.

FUTURE PLANS

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

Natural Breaks started in the early 1990's and throughout 26 years has adapted to change whilst not losing sight of our mission and core values.

Our strategy has concentrated on getting the company infrastructure right during 2016/2018 to give a platform to expand the range of services and activities we can provide in future years.

Our plans for 2019-20 focus on measures to ensure we are in ideal shape to build on the achievements of previous years and deliver our mission to more people. These will include:

- Implementing 'The Natural Breaks Way' programme so our values and behaviours are practiced by every single member of Natural Breaks and embedded in our policies and procedures
- Building on Investors In People generation 6 standard accreditation
- Delivering the financial sustainability plan to increase income generation and tightly manage expenditure
- Developing person centred business plans covering the 2019 to 2022
- Recruiting a fundraiser and increasing our fundraising capabilities to keep fulfilling our charitable purposes
- Implementing new projects funded through fundraising activities
- Developing innovative solutions to meet the needs of people with disabilities who fall outside assessed needs services

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

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

Recruitment and appointment of new trustees

The Articles allow for up to 9 trustees and, following an assessment by the trustees in 2018, amended the Articles to reduce the minimum requirement for quoracy from 3 to 2. At the time of this report, the Board had 5 trustees, including its chair.

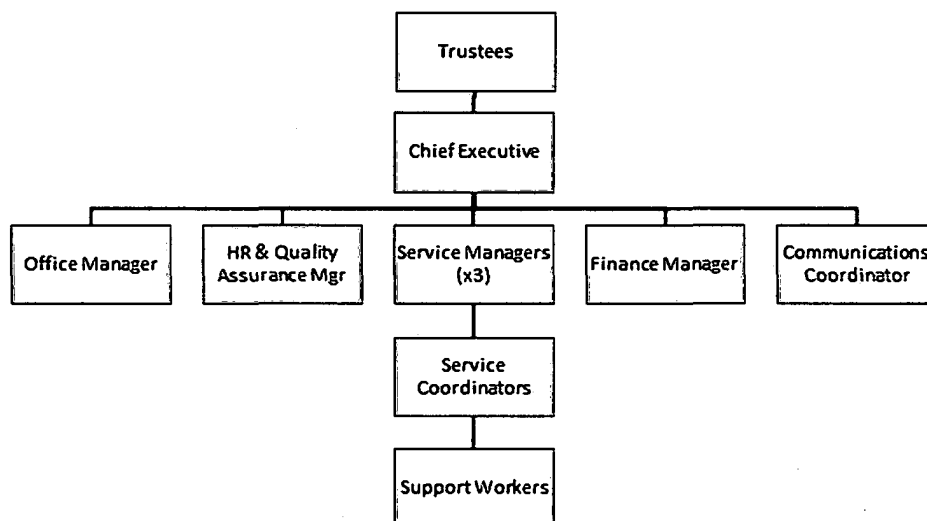
Natural Breaks has a policy governing conflicts of interest and all trustees must complete a declaration of interests. A register is maintained by the company secretary.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisation structure at 31st March 2019 was as follows:



A full-time role of Fundraiser was sanctioned by the trustees and is to be filled in 2019-20.

Decision making

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

- Governance and Safeguarding
- Finance
- Business and Marketing

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

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

- size and scope of services that can be procured.
- fundraising.
- staff policies.
- staff remuneration.
- budget and expenditure.
- procurement of assets.
- contractual obligations and liabilities.

Induction and training of new trustees

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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

- Competition from similar organisations. Mitigation - All requests for new services are logged and outcomes are reported to the Operational Committee. Developments in adult social care in the Merseyside area are monitored. Families and carers are surveyed regularly and their feedback acted upon.
- Over dependency on one key supplier. Mitigation - Opportunities to provide services in boroughs outside Liverpool have been identified and a significantly sized new service was obtained. Work will continue to develop additional sources in 2019-20.
- Cash flow sensitivities viz a viz notice based interest-bearing accounts. Mitigation - The cash flow forecast for 2019-20 has been updated and dates when it may be necessary to transfer from our notice-based accounts to our current account established.
- Compliance with legislation and regulations - arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. Mitigation - We have worked closely with commissioners, housing providers and Merseyside Fire & Rescue to implement all the immediate requirements satisfactorily. Medium and longer term requirements for providers and partners are emerging and are being reported to the Trustees through the Governance & Safeguarding Committee.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02996621 (England and Wales)

Registered Charity number

1168766

Registered office

Millennium Resource Centre
Blenheim Street
Liverpool
Merseyside
L5 8UX

Trustees

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

Company Secretary

Mrs K Burke

Auditors

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

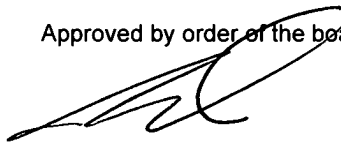
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 7/10/2019 and signed on its behalf by:


.....
K C Lloyd - Trustee

Opinion

We have audited the financial statements of Natural Breaks Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.


Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date:

7/10/2019

Natural Breaks Limited

**Statement of Financial Activities
for the Year Ended 31 March 2019**

		31.3.19 Unrestricted funds £	31.3.18 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	4		
Supported Living		2,626,126	2,469,168
Other trading activities	2	3,509	1,232
Investment income	3	2,011	1,347
Total		2,631,646	2,471,747
EXPENDITURE ON			
Raising funds	5	2,156	-
Charitable activities	6		
Supported Living		2,788,304	2,556,372
Total		2,790,460	2,556,372
NET INCOME/(EXPENDITURE)		(158,814)	(84,625)
RECONCILIATION OF FUNDS			
Total funds brought forward		557,138	641,763
TOTAL FUNDS CARRIED FORWARD		398,324	557,138

The notes form part of these financial statements

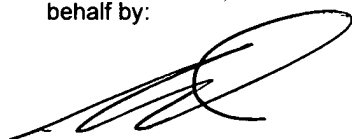
Natural Breaks Limited

**Statement of Financial Position
At 31 March 2019**

		31.3.19 Unrestricted funds £	31.3.18 Total funds £
FIXED ASSETS	Notes		
Tangible assets	11	51,363	65,505
CURRENT ASSETS			
Debtors	12	164,112	234,527
Cash at bank and in hand		<u>359,499</u>	<u>408,294</u>
		523,611	642,821
CREDITORS			
Amounts falling due within one year	13	(176,650)	(151,188)
NET CURRENT ASSETS		<u>346,961</u>	<u>491,633</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>398,324</u>	557,138
NET ASSETS		<u>398,324</u>	<u>557,138</u>
FUNDS	15		
Unrestricted funds		<u>398,324</u>	<u>557,138</u>
TOTAL FUNDS		<u>398,324</u>	<u>557,138</u>

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

The financial statements were approved by the Board of Trustees on 7/10/2019 and were signed on its behalf by:



.....
K C Lloyd -Trustee

The notes form part of these financial statements

Natural Breaks Limited

**Statement of Cash Flows
for the Year Ended 31 March 2019**

	Notes	31.3.19 £	31.3.18 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(51,892)</u>	<u>(75,053)</u>
Net cash provided by (used in) operating activities		<u>(51,892)</u>	<u>(75,053)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,014)	(3,023)
Interest received		<u>2,011</u>	<u>1,347</u>
Net cash provided by (used in) investing activities		<u>(3,003)</u>	<u>(1,676)</u>
Change in cash and cash equivalents in the reporting period		<u>(54,895)</u>	<u>(76,729)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>408,294</u>	<u>485,023</u>
Cash and cash equivalents at the end of the reporting period	2	<u>353,399</u>	<u>408,294</u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.19	31.3.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(158,814)	(84,625)
Adjustments for:		
Depreciation charges	19,156	18,508
Interest received	(2,011)	(1,347)
Decrease/(increase) in debtors	70,415	(46,191)
Increase in creditors	<u>19,362</u>	<u>38,602</u>
Net cash provided by (used in) operating activities	<u>(51,892)</u>	<u>(75,053)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.19	31.3.18
	£	£
Cash in hand	828	466
Notice deposits (less than 3 months)	358,671	407,828
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(6,100)</u>	<u>-</u>
Total cash and cash equivalents	<u>353,399</u>	<u>408,294</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

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

Allocation and apportionment of costs

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

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

The analysis of these costs is included in note 5.

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	31.3.19	31.3.18
	£	£
Fundraising events	<u>3,509</u>	<u>1,232</u>

3. INVESTMENT INCOME

	31.3.19	31.3.18
	£	£
Interest receivable	<u>2,011</u>	<u>1,347</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.19	31.3.18
		£	£
Supported living services	Supported Living	<u>2,626,126</u>	<u>2,469,168</u>

5. RAISING FUNDS**Other trading activities**

	31.3.19	31.3.18
	£	£
Support costs	<u>2,156</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
Supported Living	<u>2,312,002</u>	<u>476,302</u>	<u>2,788,304</u>

7. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Other trading activities	-	-	2,156	-	2,156
Supported Living	<u>299,005</u>	<u>75,876</u>	<u>55,063</u>	<u>46,358</u>	<u>476,302</u>
	<u>299,005</u>	<u>75,876</u>	<u>57,219</u>	<u>46,358</u>	<u>478,458</u>

8. NET INCOME/(EXPENDITURE)

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

	31.3.19	31.3.18
	£	£
Auditors' remuneration	3,180	3,180
Depreciation - owned assets	<u>19,157</u>	<u>18,508</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

10. STAFF COSTS

	31.3.19 £	31.3.18 £
Wages and salaries	2,307,849	2,120,893
Social security costs	182,586	159,720
Other pension costs	43,915	45,512
	<u>2,534,350</u>	<u>2,326,125</u>

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

	31.3.19	31.3.18
Charitable activity staff	<u>132</u>	<u>122</u>

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

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2018	75,789	53,342	129,131
Additions	-	5,015	5,015
At 31 March 2019	<u>75,789</u>	<u>58,357</u>	<u>134,146</u>
DEPRECIATION			
At 1 April 2018	25,263	38,363	63,626
Charge for year	15,158	3,999	19,157
At 31 March 2019	<u>40,421</u>	<u>42,362</u>	<u>82,783</u>
NET BOOK VALUE			
At 31 March 2019	<u>35,368</u>	<u>15,995</u>	<u>51,363</u>
At 31 March 2018	<u>50,526</u>	<u>14,979</u>	<u>65,505</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19 £	31.3.18 £
Trade debtors	146,974	218,955
Other debtors	11,690	10,278
Prepayments	5,448	5,294
	<u>164,112</u>	<u>234,527</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19 £	31.3.18 £
Bank loans and overdrafts (see note 14)	6,100	-
Pensions	6,551	-
Other creditors	60,106	59,556
Accruals and deferred income	<u>103,893</u>	<u>91,632</u>
	<u>176,650</u>	<u>151,188</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.3.19 £	31.3.18 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>6,100</u>	<u>-</u>

15. MOVEMENT IN FUNDS

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	548,753	(150,811)	382	398,324
25 Year Event	<u>8,385</u>	<u>(8,003)</u>	<u>(382)</u>	<u>-</u>
	557,138	(158,814)	-	398,324
TOTAL FUNDS	<u>557,138</u>	<u>(158,814)</u>	<u>-</u>	<u>398,324</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,631,646	(2,782,457)	(150,811)
25 Year Event	<u>-</u>	<u>(8,003)</u>	<u>(8,003)</u>
	2,631,646	(2,790,460)	(158,814)
TOTAL FUNDS	<u>2,631,646</u>	<u>(2,790,460)</u>	<u>(158,814)</u>

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted Funds				
General fund	641,763	(84,625)	(8,385)	548,753
25 Year Event	-	-	8,385	8,385
	641,763	(84,625)	-	557,138
TOTAL FUNDS	<u>641,763</u>	<u>(84,625)</u>	<u>-</u>	<u>557,138</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,471,747	(2,556,372)	(84,625)
TOTAL FUNDS	<u>2,471,747</u>	<u>(2,556,372)</u>	<u>(84,625)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	641,763	(235,436)	(8,003)	398,324
25 Year Event	-	(8,003)	8,003	-
TOTAL FUNDS	<u>641,763</u>	<u>(243,439)</u>	<u>-</u>	<u>398,324</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,103,393	(5,338,829)	(235,436)
25 Year Event	-	(8,003)	(8,003)
	5,103,393	(5,346,832)	(243,439)
TOTAL FUNDS	<u>5,103,393</u>	<u>(5,346,832)</u>	<u>(243,439)</u>

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2019.