

Company No: 02996621
Charity No: 1168766



**Report of the Trustees and
Financial Statements
for
the Year Ended 31 March 2020
for
Natural Breaks Limited**

**S B
& P**

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2-8 Oriel Road
Bootle
Merseyside
L20 7EP
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COMPANIES HOUSE

Natural Breaks Limited

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for the Year Ended 31 March 2020**

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Natural Breaks Limited

**Report of the Trustees
for the Year Ended 31 March 2020**

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 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Mission

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

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

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

Values

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

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

Our key business objectives for 2019-2020 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 values and behaviours and implement 'The Natural Breaks Way' programme
 - To build on our Investors In People generation 6 standard accreditation in 2018
 - To develop our workforce expertise in supporting people with extremely complex needs including complex health needs requiring staff to be specialist trained in procedures such as PEG feed and tracheotomy related
 - To deliver our financial sustainability plan, increasing income generation and tightly controlling expenditure
 - To recruit a fundraiser and increase our fundraising capabilities
 - To focus our fundraising to procure an accessible caravan in North Wales
 - To develop innovative solutions to meet the needs of people with disabilities
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OBJECTIVES AND ACTIVITIES

Significant activities

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

Social and Learning - we work with 43 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. In 2019, 12 people we support went with 3 staff. The trustees are extremely grateful to Liverpool Lions and Newquay Lions who provided their facilities for us and have done so for free for many years.

'The Breakers' caravan - this is a new service introduced in summer 2019, where we had been able to procure an accessible caravan in North Wales following various fundraising efforts and donations (see Fundraising Activities). In total 10 people we support and other people with disabilities, plus their families or carers used the caravan, some more than once.

Covid-19

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

We are also a member of the Voluntary Organisations Disability Group (VODG) who coordinated responses, questions and intelligence across the sector and who continue to liaise and lobby with HM Government on our sector's behalf.

Our Chief Executive provided twice weekly briefings to the Chair of Trustees who disseminated key points to all Trustees to ensure all were kept informed in a timely manner. We have continued to deliver all supported living services and, in conjunction with families and commissioners, some social and learning services in accordance with our RAG system. We have incorporated Covid-19 into our business continuity plan.

Out and About and the Newquay Holiday have not taken place yet. 'The Breakers' caravan started to be used from July.

Prior to the Covid-19 lockdown in late March we had held a large number of events in 2019-20. 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:

- Excursions to Conway, Windermere, Blackpool lights and Manchester Christmas market
 - A sponsored abseil down Leasowe Lighthouse by one of our trustees and three staff, encouraged by 35 onlookers - people we support, staff, friends and families
 - Accessing art at the Liverpool Tate provided by Project Artworks, giving people with complex needs access to watch, participate and to then display their work
 - 'A Taste of Life' - where we linked up with Liverpool Community Spirit to learn about culture and cooking
 - Trips to; Liverpool's fantastic Baltic Triangle; the Gaia display at Liverpool Anglican Cathedral; the Netball World Cup; the Anglican Cathedral and a private audience with one of the Cavern Club Beatles arranged by Liverpool Community Spirit; the Magical Mystery Tour and Cavern Club; the Shiverpool 'ghost' Tour; the Keith Haring Exhibition at the Tate, Royal Albert Dock; and heritage open days at Toxteth Reservoir, Toxteth Hall and Hardman's photographic studios.
 - Activity sessions; learning to sail courses at Liverpool Marina provided by Outreach Sailing; a ladies pamper day; trio biking at Sefton Park; Wheelyboats at Liverpool Water Sports Centre; photography at the gardens of Bishop's Lodge, Liverpool; and 'Make it Monday' - our monthly arts and crafts group
 - Coffee morning for MacMillan
 - Celebrating landmark birthdays for people we support and long service awards for staff
 - Christmas Party, Christmas jumper day and trip to see a Christmas Panto
-

OBJECTIVES AND ACTIVITIES

Covid-19 has curtailed our ability to hold similar events so far in 2020-21 but we have used technology to introduce new virtual events to keep people we support, their friends and families in touch and engaged through:

- Weekly 'Cuppa with the CEO and a catch up' sessions
- Virtual quizzes
- Singalong sessions with guest musicians
- Chair exercise classes
- Sharing their experiences during lockdown on Twitter

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 2020 our key achievements were as follows:

- Providing quality services to the people we support and their families and carers. This is evidenced by our retaining an overall rating of GOOD by Care Quality Commission (inspection May 2019). 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. The inspector commented:
 - 'People were positive about the care and support they received from Natural Breaks'
 - 'Staff were caring and always promoted people's dignity and independence'
 - 'People and their relatives were highly complimentary about the service. People told us the service was "excellent" and met people's needs'
 - 'People we spoke with told us they felt safe being supported by the staff, and staff were able to describe the course of action they would take if they felt someone was being harmed or was at risk of harm'
- Maintaining Tier 1 provider status with Liverpool Adult Social Services. In their latest compliance review the commissioner's stated '...The Client Monitoring Framework was well evidenced and presented and officers attending the on-site visit spoke very positively about the service.'
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Reviewing our values and behaviours - trustees, managers, staff, people we support and their families have worked together on this initiative and their work, 'The Natural Breaks Way', will continue into 2020-21.
- Having an external review of the actions in place to raise our Investors In People generation 6 accreditation further. The assessor commenting 'notable progress in the year since the last review.'
- Delivering our financial sustainability plan, which enabled us to increase income and keep costs under control whilst increasing our pay rates for lower paid staff so that we continue to pay above the national minimum wage.
- Supporting one of our senior managers to qualify as a BILD (British Institute of Learning Disabilities) accredited Positive Behavioural Support Coach (PBS) and other members of our senior management team to reach PBS practitioner status. Giving us the in-house capacity and capability to deliver Positive Behaviour Support approaches for people with the most complex needs. Organisationally we have embraced a PBS approach at all levels to how we provide care and support including the Trustees participating in a PBA Awareness Raising workshop delivered by our PBS Coach.
- Our Chief Executive undertaking an ILM Level 7 Executive Performance Coaching course to lead the introduction of a coaching culture within the organisation.
- Working with Mills Creative Media, who gave their expertise, time and resources for free, to make a video entitled 'This Is Us' showing Natural Breaks featuring people we support, their families, trustees and staff. The video can be seen on our website (<https://www.naturalbreaks.co.uk/>).
- Raising the funds to procure an accessible caravan in North Wales which started being used by the people we support, other people with disabilities, and their families from summer 2019.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

We had a really successful year raising sufficient funds that enabled us to procure an accessible caravan in North Wales. The effort is all the more remarkable as, being unsuccessful in recruiting the right calibre of fundraiser, the funds were raised through our staff and trustees, their families and friends, and families and friends of people we support.

Overall, we raised £16,803, mainly through the following:

- Our Chief Executive's daughter running for Natural Breaks in the 2019 London Marathon
- Staff and one of our trustees doing a sponsored abseil down Leasowe Lighthouse
- A quiz night held by the Knights of St Columba
- A donation from the Good Turns Society
- A grant award by St James's Place Wealth Management
- Donations from individuals connected with our staff, trustees and friends and families of people we support

Covid-19 has largely curtailed our fundraising for 2020-21 but we anticipate some modest activity with the proceeds being used towards the maintenance costs of our caravan. We do intend to continue our search for the right calibre of fundraiser to increase our fundraising capacity from 2021 onwards.

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

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

Internal and external factors

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

The Trustees want to place on record their thanks for the role played by our commissioners. The financial support given since March 2020 is described briefly in the Financial Review section (below) and will be covered in more detail in the 2020-21 report. However, beyond financial support, our main commissioner - Liverpool City Council - took a central role in coordinating and addressing providers' needs, for example, in the creation of a PPE supplies hub.

In the 2018-19 report we outlined our approach following the Court ruling in favour of Mencap in the case of sleep-in back pay that overturned an employment tribunal which ruled that workers were entitled to National Minimum Wage (NMW) for every hour of a sleep-in shift. Our current understanding is that an appeal has yet to be heard. 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 it to 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 actions in our Financial Sustainability Plan, first introduced by the Trustees in 2018-19, continued through 2019-20 enabling the organisation to record a small surplus. Our income increased by 10% and, by prudent management of costs and restructuring of 'back-office' functions, the increase in expenditure was limited to 3.5%. The overall result was an improvement compared to the forecast plan.

The trustees have agreed a financial sustainability plan for 2020-21 with a number of Covid-19 specific actions (e.g. utilising Covid-19 funding and reliefs from HM Government and commissioners), initiatives to increase overall income and measures to tightly control costs.

FINANCIAL REVIEW

Principal funding sources

Our principal funding in 2019-20 came from commissioners in the local authorities of Liverpool and Sefton and, for part of that year, Wirral. Other funding came from direct payments by people we support, their carers and families.

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

We had a really successful year raising sufficient funds that enabled us to procure an accessible caravan in North Wales. The funds were raised through our staff and trustees, their families and friends, and families and friends of people we support.

There were restricted grants and funds received in 2019-20 amounting to £26,384 - all in respect of the caravan.

Investment policy and objectives

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

Reserves policy

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

The level of reserves at 31 March 2020 has increased to £416,657. 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 particularly in the light of the Covid-19 pandemic, it is appropriate. The reserves policy will be kept under regular review.

FUTURE PLANS

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

Our plans for 2020-21 include:

- Assessing the needs and priorities of people we support, workforce availability, technological solutions and HM Government, commissioners and public health guidance to deliver services in a Covid-19 safe and secure way (N.B. This objective was completed in the early weeks of the Covid-19 pandemic)
- Completing a strategic review of the future needs of people we support for Social & Learning/Community based services
- Designing and delivering innovative Social & Learning/Community based services, in conjunction with commissioner's plans for the sector.
- Delivering the financial sustainability plan to ensure available Covid-19 funding and reliefs are utilised, to increase income generation and to tightly manage expenditure
- Implementing 'The Natural Breaks Way' programme so that our values and behaviours are practiced by every single member of Natural Breaks and embedded in our policies and procedures
- Building on Investors In People generation 6 standard accreditation and preparing for 2021 renewal
- Developing person centred business plans for the 'new normal' covering 2021 to 2024
- Recruiting a fundraiser and increasing our fundraising capabilities to keep fulfilling our charitable purposes
- 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.

**Report of the Trustees
for the Year Ended 31 March 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

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

Recruitment and appointment of new trustees

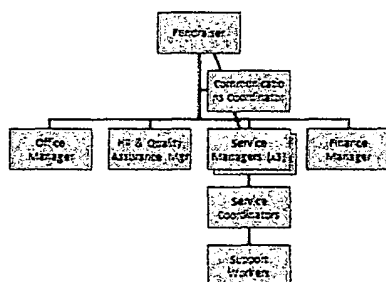
The Articles allow for up to 9 trustees (minimum 2). At the time of this report, the Board had 5 trustees, including its chair.

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

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

Organisational structure

The organisation structure at 31st March 2020 was as follows:



Decision making

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

- Governance and Safeguarding
- Finance
- Business and Marketing

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

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

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

Induction and training of new trustees

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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

- Ensuring we have an appropriate strategy. Mitigation - We will be carrying out a strategic review of the needs of people we support, particularly for social and learning/community based services, and assessing emerging service models based on national, regional and local requirements.
- Competition from similar organisations. Mitigation - All requests for new services are logged and outcomes are reported to the Business & Marketing 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 are monitored. Work will continue to develop additional sources in 2020-21.
- Health and safety. Mitigation - HM Government, public health and regulatory requirements and guidelines for Covid-19 PPE, safe working practices and standards required for a Covid Safe Workplace are monitored by senior management and implemented across all services and offices. Employee health and well-being, heightened further due to Covid-19, is a priority area for the organisation. Covid-19 individual welfare checks regularly take place and employee support is available through our Employee Benefits Flexcel Platform. We are working with Investors in People to undertake a wellbeing audit, develop a Wellbeing Strategy and roll out relevant wellbeing training including Mental Health First Aid.
- Cash flow sensitivities. Mitigation - The cash flow forecast for 2020-21 has been updated to include the affects HM Government Covid-19 funding and of Covid-19 financial stability payments and grants fromissioers.
- Dependency on income from local authorities. Mitigation - The trustees are aware of comments made by local authorities about the impact of Covid-19 on their funds. Statements from Liverpool City Council on their financial viability and the potential implications of a Section 114 will be monitored.
- Compliance with legislation and regulations, specifically;
 - Arising from Merseyside Fire & Rescue Service extending regulations to apply to supported living services delivered by all providers. Mitigation - We worked closely with commissioners, housing providers and Merseyside Fire & Rescue to implement all the immediate requirements satisfactorily. Medium and longer term requirements for providers and partners are emerging and are being reported to the Trustees through the Governance & Safeguarding Committee.
 - Covid-19. Mitigation - Our registered manager attends the CQC briefings and senior managers attend the regular briefings by commissioners. Our Infection Control policy is strictly adhered to and training provided. People we support have; individual care plans which state pathways to healthcare, health passports and 'grab and go' NHS learning disability template in case of hospital admission. Our Chief Executive regularly attends VODG meetings to aid keeping abreast of sector specific developments.

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

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

SB&P

Chartered Accountants & Statutory Auditors

Oriel House

2/8 Oriel Road

Bootle

Merseyside

L20 7EP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

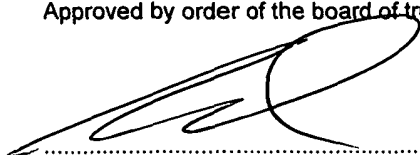
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 12/10/2020 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 2020 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 2020 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.

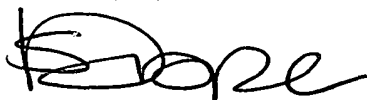
Our responsibilities for the audit of the financial statements

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: 26/10/20

Natural Breaks Limited

Statement of Financial Activities
for the Year Ended 31 March 2020

	Notes	Unrestricted funds £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	5,972	5,972	-
Charitable activities	5				
Supported Living		2,878,131	3,687	2,881,818	2,626,126
Other trading activities	3	78	16,725	16,803	3,509
Investment income	4	2,365	-	2,365	2,011
Total		2,880,574	26,384	2,906,958	2,631,646
EXPENDITURE ON					
Charitable activities	6				
Supported Living		881,513	7,112	2,888,625	2,790,460
Total		2,881,513	7,112	2,888,625	2,790,460
NET INCOME/(EXPENDITURE)		(939)	19,272	18,333	(158,814)
Transfers between funds	15	(2,328)	2,328	-	-
Net movement in funds		(3,267)	21,600	18,333	(158,814)
RECONCILIATION OF FUNDS					
Total funds brought forward		398,324	-	398,324	557,138
TOTAL FUNDS CARRIED FORWARD		395,057	21,600	416,657	398,324

The notes form part of these financial statements

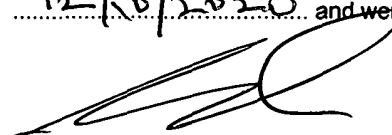
Natural Breaks Limited

Statement of Financial Position
31 March 2020

	Notes	Unrestricted funds £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	11	35,332	21,600	56,932	51,363
CURRENT ASSETS					
Debtors	12	195,406	-	195,406	164,112
Cash at bank and in hand		<u>346,859</u>	<u>-</u>	<u>346,859</u>	<u>359,499</u>
		542,265	-	542,265	523,611
CREDITORS					
Amounts falling due within one year	13	(182,540)	-	(182,540)	(176,650)
NET CURRENT ASSETS		<u>359,725</u>	<u>-</u>	<u>359,725</u>	<u>346,961</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>395,057</u>	<u>21,600</u>	<u>416,657</u>	<u>398,324</u>
NET ASSETS		<u>395,057</u>	<u>21,600</u>	<u>416,657</u>	<u>398,324</u>
FUNDS	15				
Unrestricted funds				395,057	398,324
Restricted funds				<u>21,600</u>	<u>-</u>
TOTAL FUNDS				<u>416,657</u>	<u>398,324</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12/10/2020 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 2020**

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>20,943</u>	<u>(51,892)</u>
Net cash provided by/(used in) operating activities		<u>20,943</u>	<u>(51,892)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(29,881)	(5,014)
Interest received		<u>2,365</u>	<u>2,011</u>
Net cash used in investing activities		<u>(27,516)</u>	<u>(3,003)</u>
Change in cash and cash equivalents in the reporting period		<u>(6,573)</u>	<u>(54,895)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>353,399</u>	<u>408,294</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>346,826</u></u>	<u><u>353,399</u></u>

The notes form part of these financial statements

Natural Breaks Limited

**Notes to the Statement of Cash Flows
for the Year Ended 31 March 2020**

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

	31.3.20 £	31.3.19 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	18,333	(158,814)
Adjustments for:		
Depreciation charges	24,312	19,156
Interest received	(2,365)	(2,011)
(Increase)/decrease in debtors	(31,294)	70,415
Increase in creditors	11,957	19,362
Net cash provided by/(used in) operations	<u>20,943</u>	<u>(51,892)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.20 £	31.3.19 £
Cash in hand	-	828
Notice deposits (less than 3 months)	346,859	358,671
Overdrafts included in bank loans and overdrafts falling due within one year	(33)	(6,100)
Total cash and cash equivalents	<u>346,826</u>	<u>353,399</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank and in hand	359,499	(12,640)	346,859
Bank overdraft	(6,100)	6,067	(33)
	<u>353,399</u>	<u>(6,573)</u>	<u>346,826</u>
Total	<u>353,399</u>	<u>(6,573)</u>	<u>346,826</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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

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

Allocation and apportionment of costs

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

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

The analysis of these costs is included in note 5.

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Natural Breaks Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. DONATIONS AND LEGACIES				31.03.20	31.03.19
				£	£
Gifts and donations				<u>5,972</u>	-
3. OTHER TRADING ACTIVITIES				31.3.20	31.3.19
				£	£
Fundraising events				<u>16,803</u>	<u>3,509</u>
4. INVESTMENT INCOME				31.3.20	31.3.19
				£	£
Interest receivable				<u>2,365</u>	<u>2,011</u>
5. INCOME FROM CHARITABLE ACTIVITIES				31.3.20	31.3.19
				£	£
Supported living services	Activity	Supported Living		<u>2,881,818</u>	<u>2,626,126</u>
6. CHARITABLE ACTIVITIES COSTS					
			Direct	Support	
			Costs	costs (see	
			£	note 7)	Totals
Supported Living			<u>2,334,592</u>	<u>554,033</u>	<u>2,888,625</u>
7. SUPPORT COSTS					
	Human	Office	Premises	Governance	
	resources	costs	costs	costs	Totals
	£	£	£	£	£
Supported Living	<u>349,164</u>	<u>117,779</u>	<u>81,155</u>	<u>5,935</u>	<u>554,033</u>

8. NET INCOME/(EXPENDITURE)

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

	31.3.20	31.3.19
	£	£
Auditors' remuneration	3,435	3,180
Depreciation - owned assets	<u>24,312</u>	<u>19,157</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

10. STAFF COSTS

	31.3.20	31.3.19
	£	£
Wages and salaries	2,383,541	2,307,849
Social security costs	178,899	182,586
Other pension costs	<u>62,174</u>	<u>43,915</u>
	<u>2,624,614</u>	<u>2,534,350</u>

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

	31.3.20	31.3.19
	<u>122</u>	<u>132</u>
Charitable activity staff		

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

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2019	75,789	58,357	134,146
Additions	<u>-</u>	<u>29,881</u>	<u>29,881</u>
At 31 March 2020	<u>75,789</u>	<u>88,238</u>	<u>164,027</u>
DEPRECIATION			
At 1 April 2019	40,421	42,362	82,783
Charge for year	<u>15,157</u>	<u>9,155</u>	<u>24,312</u>
At 31 March 2020	<u>55,578</u>	<u>51,517</u>	<u>107,095</u>
NET BOOK VALUE			
At 31 March 2020	<u>20,211</u>	<u>36,721</u>	<u>56,932</u>
At 31 March 2019	<u>35,368</u>	<u>15,995</u>	<u>51,363</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade debtors	139,921	146,974
Other debtors	44,645	11,690
Prepayments	10,840	5,448
	<u>195,406</u>	<u>164,112</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Bank loans and overdrafts (see note 14)	33	6,100
Pensions	9,423	6,551
Other creditors	77,778	60,106
Accruals and deferred income	95,306	103,893
	<u>182,540</u>	<u>176,650</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>33</u>	<u>6,100</u>

15. MOVEMENT IN FUNDS

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

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

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

15. MOVEMENT IN FUNDS - continued

Comparatives for 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>
	<u>557,138</u>	<u>(158,814)</u>	<u>-</u>	<u>398,324</u>
TOTAL FUNDS	<u>557,138</u>	<u>(158,814)</u>	<u>-</u>	<u>398,324</u>

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

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

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

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	548,753	(151,750)	(1,946)	395,057
25 Year Event	<u>8,385</u>	<u>(8,003)</u>	<u>(382)</u>	<u>-</u>
	<u>557,138</u>	<u>(159,753)</u>	<u>(2,328)</u>	<u>395,057</u>
Restricted funds				
Caravan Fund	-	19,272	2,328	21,600
	<u>-</u>	<u>19,272</u>	<u>2,328</u>	<u>21,600</u>
TOTAL FUNDS	<u>557,138</u>	<u>(140,481)</u>	<u>-</u>	<u>416,657</u>

Natural Breaks Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

15. MOVEMENT IN FUNDS - continued

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	5,512,220	(5,663,970)	(151,750)
25 Year Event	-	(8,003)	(8,003)
	5,512,220	(5,671,973)	(159,753)
Restricted funds			
Caravan Fund	26,384	(7,112)	19,272
TOTAL FUNDS	<u>5,538,604</u>	<u>(5,679,085)</u>	<u>(140,481)</u>

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

17. UNRESTRICTED FUNDS

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

18. RESTRICTED FUNDS

Caravan Fund

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

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

19. TRANSFERS

Transfer between funds represents expenses paid towards caravan costs.