

REGISTERED COMPANY NUMBER: 02996621 (England and Wales)
REGISTERED CHARITY NUMBER: 1168766

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2018
for
Natural Breaks Limited**

THURSDAY



A16 *A7GCKØU8* 11/10/2018 #305
COMPANIES HOUSE

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

Natural Breaks Limited

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for the Year Ended 31 March 2018**

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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 2018. 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

To deliver and develop excellent bespoke services, providing the highest standards of support and best value for money, to people with disabilities and complex needs and their families to live fulfilling lives and be valued members of society.

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 2017-2018 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 organisation structure to ensure it remains fit for purpose.
- To review our pay & reward system to attract, develop and retain the staff to deliver the high standards we demand.
- To form strategic relationships with housing associations.
- To review the financial position of services delivered.
- To start fundraising.
- To redesign our internal processes.
- To hold a series of events '25 for 25', involving people we support, families and carers and other people with needs, to mark our 25th anniversary.

OBJECTIVES AND ACTIVITIES

Significant activities

Supported Living - We support 29 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 49 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 well being i.e. college or other classes; employment or voluntary work; sports and exercise.

Out and About - 15 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 well being.

Newquay Holiday - this is an annual event that takes place in August. This year 10 people with needs went with 3 support 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.

With 2017-18 marking the 25th anniversary of our formation we held a series of events '25 for 25' during the year culminating in an evening in June 2018 for the people we support (past and present), families, carers and friends and colleagues from other organisations who have helped us over the years. 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:

- A sponsored swim by one of the people we support.
- Liverpool community spirit - we linked with another organisation to learn about culture and foods of Ethiopia, Islam and Judaism.
- Community health day - health advice sessions and 'clubbercise'.
- Sports tasters day - provided free by Fitness Direct, enabling a group of people to try gym facilities, pool, jacuzzi and sauna.
- Radio presenter, DJ training and jam sessions.
- Summer BBQ - an afternoon of fun held at one of our supported living houses.
- Summer Fun Day - events involving team games and inflatable assault course.
- Trips to the Anglican Cathedral Tower, the Williamson Tunnels, the British Music Experience, the Peaky Blinders bar, the Baltic area Art Walk, an open top bus tour and the Liverpool Magical Mystery Tour.
- Activity sessions; footgolf, Project Art (to access, see, display and do art), and graffiti masterpieces.
- A carers coffee afternoon and a MacMillan Coffee Morning.
- 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 2018 our key achievements were as follows:

- Providing quality services to the people we support and their families and carers. In our carers' survey in 2017, Natural Breaks was rated either 'excellent' or 'very good',
 - by 84% of respondents for the service provided.
 - by 92% of respondents for providing person centred support.
 - by 94% of respondents for knowledge and skills of staff.
 - by 95% of respondents for feeling their relative is safe with Natural Breaks.
- Maintaining Tier 1 provider status with Liverpool Adult Social Services based on meeting strict quality and financial criteria, scoring 97.5% in the 2017 contract monitoring exercise.
- Holding approved provider status with the local authorities for Wirral, Sefton and Cheshire West and Chester.
- Being awarded an overall rating of GOOD by Care Quality Commission following an inspection in 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. The report also stated: 'We saw that one of the values of the organisation was 'person centred' and we saw evidence of this in the records we viewed during our inspection and from our conversations with staff and people who use the service. This means that the values of the organisation were well implemented in everything the company does.'
- Completing a review of our organisation structure to ensure it remains fit for purpose.
- Changing operational practices across the services we provide to increase our ability to deliver on existing contracts.
- Holding a programme of events '25 for 25' involving people we support, families and carers and other people with needs, to mark our 25th anniversary.
- Securing funding to implement a new website, providing improved information about our activities, better access through social media and secure fundraising facilities.
- Developing a strategic relationship with housing association which enabled us to respond to the specific needs of 4 of the people we support who had to relocate. The relationship continues to bear fruit with further success in 2018-19.
- Successfully bidding for Better Care Funding. The project is in development but will enable us to work with like-minded services to provide a series of health and well-being group activities in ordinary community settings; encouraging and supporting people to self care; develop healthy life skills and access enjoyable and stimulating social and leisure activities.
- Implementing a range of low cost employee benefits and incentives and, from 1st April 2018, increasing our pay rates for the lower paid staff so that we are no longer a minimum wage employer.

Fundraising activities

2017-18 was our first full year as a charity. Recognising our transition from a not for profit company, the trustees decided there should only be a modest amount of fundraising activities to ensure we gained experience in what types of activities would work best. Funds raised amounted to £1282 and of particular note was a sponsored swim by one of the people we support who raised £554 for Natural Breaks. All other fundraising was carried out by employees of Natural Breaks.

Internal and external factors

This was our Chief Executive's first full year in post. The trustees are delighted with the way that Diane rapidly got in tune with the values of Natural Breaks and set about re-energising the management team and workforce. She brings great enthusiasm to the role and has established a real rapport with the people we support and their families on an individual basis and collectively at the various events held.

Preparation for GDPR increased in the latter part of the year as our understanding of the emerging requirements grew, this involved creation of a 'task and finish' group comprising management and trustees.

At the time of writing this report, the trustees have learnt of 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. Natural Breaks does have employees who work sleep-ins and they are paid at least NMW. The trustees had assessed the potential impact of the original tribunal ruling and decided not to join the HMRC Social Care Compliance Scheme. 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 has successfully balanced the downward pressures on income, given the reliance on funding from adult social care, with the upward pressures on costs, predominately employee costs; pay and pensions.

The result for 2017-18 is a disappointment but not a surprise given the current climate. The trustees have agreed a financial action plan for 2018-19 with the aim of increasing income generation and tightly managing all expenditure.

Principal funding sources

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

There was a small amount of funds raised through donations and events.

There were no restricted grants or funds in 2017-18.

Investment policy and objectives

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

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 to support two months operating 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 2018 is £557,138. The trustees acknowledge that whilst this level is higher than that required by the reserves policy 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 over 25 years ago and has adapted to change through that time whilst not losing sight of our mission and core values.

Our strategy is to concentrate 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.

2017-18 saw us take steps to reduce our overheads and open up new sources of funding. Our plans for 2018-19 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:

- Reviewing and updating our mission and strategic objectives
- Reviewing our values and behaviours and implementing 'The Natural Breaks Way' programme to our values and behaviours are practiced by every single member of Natural Breaks
- Delivering the financial action plan to increase income generation and tightly manage expenditure
- Increasing our workforce capability and resilience
- Developing person centred business plans covering the next 3 years
- 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.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

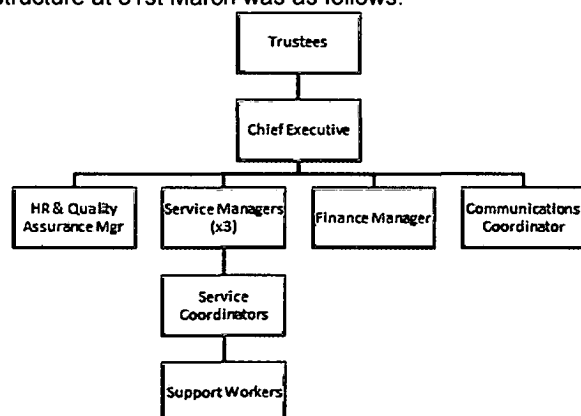
The Articles allow for up to 9 trustees (minimum 3). At the time of this report, the Board had 5 trustees, including its chair.

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 was as follows:



A role of Office Manager, bringing together the 'office' functions undertaken by the management team and thereby enabling them to focus on their specialist areas, was sanctioned by the trustees and is to be filled in 2018-19.

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.
- Finance.
- Safeguarding and Quality.
- Operational.

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 - Some opportunities to provide services in boroughs outside Liverpool have been identified and work will continue to develop these in 2018-19.
- Cash flow sensitivities viz a viz notice based interest-bearing accounts. Mitigation - The cash flow forecast for 2018-19 has been updated and dates when it may be necessary to transfer from our notice-based accounts to our current account established.
- Information technology e.g. GDPR. Mitigation - GDPR training completed and compliant security software implemented. A GDPR action log is established and implementation reported through to the Governance 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
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

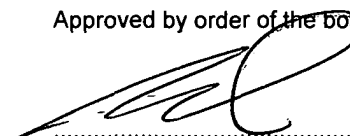
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 1/10/2018 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 2018 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 2018 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 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, 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.

Opinion 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
Statutory Auditors
Oriel House
2/8 Oriel Road
Bootle
Merseyside
L20 7EP

Date: 1/10/2018

Natural Breaks Limited

**Statement of Financial Activities
for the Year Ended 31 March 2018**

		31.3.18 Unrestricted funds £	31.3.17 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	4		
Supported Living		2,469,168	2,445,073
Other trading activities	2	1,232	2,725
Investment income	3	1,347	111
Other income		-	42,770
Total		2,471,747	2,490,679
 EXPENDITURE ON			
Charitable activities	5		
Supported Living		2,556,372	2,475,149
NET INCOME/(EXPENDITURE)		(84,625)	15,530
RECONCILIATION OF FUNDS			
Total funds brought forward		641,763	626,233
 TOTAL FUNDS CARRIED FORWARD		557,138	641,763

The notes form part of these financial statements

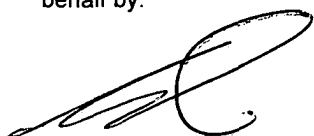
Natural Breaks Limited

**Statement of Financial Position
At 31 March 2018**

		31.3.18 Unrestricted funds £	31.3.17 Total funds £
FIXED ASSETS	Notes		
Tangible assets	10	65,505	80,990
CURRENT ASSETS			
Debtors	11	234,527	188,336
Cash at bank and in hand		<u>408,294</u>	<u>485,023</u>
		642,821	673,359
CREDITORS			
Amounts falling due within one year	12	(151,188)	(112,586)
NET CURRENT ASSETS		<u>491,633</u>	<u>560,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		557,138	641,763
NET ASSETS		<u>557,138</u>	<u>641,763</u>
FUNDS	13		
Unrestricted funds		<u>557,138</u>	<u>641,763</u>
TOTAL FUNDS		<u>557,138</u>	<u>641,763</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 1/10/2018 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 2018**

		31.3.18	31.3.17
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	<u>(75,053)</u>	<u>1,593</u>
Net cash provided by (used in) operating activities		<u>(75,053)</u>	<u>1,593</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,023)	(93,300)
Interest received		<u>1,347</u>	<u>111</u>
Net cash provided by (used in) investing activities		<u>(1,676)</u>	<u>(93,189)</u>
Change in cash and cash equivalents in the reporting period		<u>(76,729)</u>	<u>(91,596)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>485,023</u>	<u>576,619</u>
Cash and cash equivalents at the end of the reporting period		<u>408,294</u>	<u>485,023</u>

The notes form part of these financial statements

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

	31.3.18 £	31.3.17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(84,625)	15,530
Adjustments for:		
Depreciation charges	18,508	13,935
Interest received	(1,347)	(111)
(Increase)/decrease in debtors	(46,191)	80,930
Increase/(decrease) in creditors	<u>38,602</u>	<u>(108,691)</u>
Net cash provided by (used in) operating activities	<u>(75,053)</u>	<u>1,593</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.

Natural Breaks Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

2. OTHER TRADING ACTIVITIES

	31.3.18	31.3.17
	£	£
Fundraising events	<u>1,232</u>	<u>2,725</u>

3. INVESTMENT INCOME

	31.3.18	31.3.17
	£	£
Interest receivable	<u>1,347</u>	<u>111</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.18	31.3.17
		£	£
Supported living services	Supported Living	<u>2,469,168</u>	<u>2,445,073</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Supported Living	<u>2,111,215</u>	<u>445,157</u>	<u>2,556,372</u>

6. SUPPORT COSTS

	Human resources	Office costs	Premises costs	Governance costs	Totals
	£	£	£	£	£
Supported Living	<u>270,195</u>	<u>77,559</u>	<u>57,787</u>	<u>39,616</u>	<u>445,157</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.18	31.3.17
	£	£
Auditors' remuneration	3,180	3,180
Depreciation - owned assets	<u>18,508</u>	<u>13,935</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

The trustees have £nil expenses reimbursed during the year (2017 - £544).

9. STAFF COSTS

	31.3.18	31.3.17
	£	£
Wages and salaries	2,120,893	2,038,756
Social security costs	159,720	149,431
Other pension costs	45,512	18,641
	<u>2,326,125</u>	<u>2,206,828</u>

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

	31.3.18	31.3.17
Charitable activity staff	<u>122</u>	<u>123</u>

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

10. TANGIBLE FIXED ASSETS

	Improvement s to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2017	75,789	50,319	126,108
Additions	-	3,023	3,023
At 31 March 2018	<u>75,789</u>	<u>53,342</u>	<u>129,131</u>
DEPRECIATION			
At 1 April 2017	10,105	35,013	45,118
Charge for year	<u>15,158</u>	<u>3,350</u>	<u>18,508</u>
At 31 March 2018	<u>25,263</u>	<u>38,363</u>	<u>63,626</u>
NET BOOK VALUE			
At 31 March 2018	<u>50,526</u>	<u>14,979</u>	<u>65,505</u>
At 31 March 2017	<u>65,684</u>	<u>15,306</u>	<u>80,990</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	218,955	172,874
Other debtors	10,278	7,903
Prepayments	5,294	7,559
	<u>234,527</u>	<u>188,336</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Other creditors	59,556	46,451
Accruals and deferred income	<u>91,632</u>	<u>66,135</u>
	<u>151,188</u>	<u>112,586</u>

13. 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
	<u>641,763</u>	<u>(84,625)</u>	<u>-</u>	<u>557,138</u>
TOTAL FUNDS	<u>641,763</u>	<u>(84,625)</u>	<u>-</u>	<u>557,138</u>

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)
	<u>2,471,747</u>	<u>(2,556,372)</u>	<u>(84,625)</u>
TOTAL FUNDS	<u>2,471,747</u>	<u>(2,556,372)</u>	<u>(84,625)</u>

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted Funds			
General fund	626,233	15,530	641,763
	<u>626,233</u>	<u>15,530</u>	<u>641,763</u>
TOTAL FUNDS	<u>626,233</u>	<u>15,530</u>	<u>641,763</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,490,679	(2,475,149)	15,530
	<u>2,490,679</u>	<u>(2,475,149)</u>	<u>15,530</u>
TOTAL FUNDS	<u>2,490,679</u>	<u>(2,475,149)</u>	<u>15,530</u>

25 Year Event

The Trustees have set aside an amount to cover the Charity's 25th Anniversary celebrations.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.