



Break
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2024

Charity number 286650
Company number 01699685

Break

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

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CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 March 2024

Charity Registration Number: 286650
Company Registration Number: 01699685
Registered Office and Operational Address: Schofield House
1 Spar Road
Norwich
Norfolk
NR6 6BX

Board of Trustees

		Sub Committee member
Mrs B Hall B.Ed (Hons) NPQH, PgD, SSStJ	(Chair)	Ca, No
Mr F M E Shippam FCA, DChA	(Treasurer)	Fi
Mrs J Allan		In
Mrs N Bramford LLB		Ca
Mrs M Corti FCCA, MBA	(resigned 04.01.24)	Ca, No, Fi, Ri
Mr N Dobson		Fi, In
Mr S Fowler TD, LLB	(resigned 27.07.23)	Ca, No
Mrs S Harvey	(resigned 17.07.23)	Ri
Mrs S Healey	(appointed 03.04.24)	Ri
Mr T Krykant		In
Mrs P Ledward	(resigned 07.03.24)	Ca
Mr G Lindsay	(appointed 23.05.24)	Fi, Ri
Mrs A L Ovens FCCA, DiplFR, MloD	(resigned 17.07.23)	Fi, In
Mr J Sam MBCS, CITP, MloD		No, In, Ri
Mr E Sutaria	(appt 24.04.23,res'd 27.07.23)	Ca, In

Sub committee groups:- Ca = Care, Fi = Finance, In = Income Generation, Ri = Risk HR & Governance, No = Nominations

Presidents and Co-founders

Mrs J A Davison
Reverend Canon L J Morley

Chief Executive Officer

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

Executive Team

Mr A Flack FCCA (Director of Finance)
Mrs R Leslie BA (Hons) MA DIPSW (Director of Care Services)
Mr D Crouch BSc (Hons) (Director of Income Generation)
Mr D Lummis (Assistant Director of Care)

Company Secretary

Mr A Flack

Auditor

Price Bailey LLP, Anglia House 6 Central Avenue St Andrews Business Park Thorpe St Andrew NR7 0HR

Solicitors

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

Bankers

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

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 March 2024

The Trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of the Charity for the year ended 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Trustees of the Charity

The Trustees who have served during the year and since the year end are shown on Page 1.

Objectives and Activities

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

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

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

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

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

Break's policy is to work in partnership with Local Authorities, Housing Associations and other relevant agencies to provide the best possible service. We maintain strong working connections with Norfolk County Council Children's Services and work closely with Cambridgeshire/Peterborough and Suffolk Children's Services on a range of successful projects and commissioned placements.

Public Benefit Statement

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

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

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

Strategic Report

A) Achievements and Performance

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

OUR VISION

Break will strive to ensure all young people, whatever their start in life, have equal opportunities and the relationships they need to succeed.

OUR MISSION

Giving children on the edge of care, in care and leaving care the love, support and ambition they need

OUR VALUES

- We inspire and create hope.
- We are optimistic.
- We make a difference.
- We do the right thing.
- We are inclusive.
- We listen to and respect all individuals

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 March 2024

A safe place to call home for looked after children

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

Every year we have young people move in and out of our homes but not our hearts. Although young people move on from our homes that is not where our support stops as we are with our young people through their life through our other services.

In the year, we **cared for 17 (2023/23 - 21) young people** within our four homes. All four of the homes are rated as 'Good' by Ofsted. Our average length of placement at the end of March 2024 was 2.1 years (2023 1.6), 4 of our current 13 young people living in our homes moved in over the last year. At 31 March 2024, 60% (2023/23 – 60%) of the young people living in our children's homes were in full time education.

In 2020, Norfolk County Council recognised a requirement for more specialist services to meet the needs of the most complex young people in their care. We have two homes dedicated to this service in Norfolk and during the year were successful through a tender process to open 3 similar homes in Suffolk, 2 of which were operational at the year end, with the third to open soon after. These services offer solo placements and intensive support to young people in care who find it too difficult to live with other young people.

To deliver this more intensive service, the teams access comprehensive training programmes and develop their skills and confidence to meet the needs of young people. We have 4 young people currently within these services, the homes are rated as 'Good' by Ofsted.

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

Therapeutic Support

Break Therapeutic Services (BTS) has been at the heart of Break's drive to move towards a more trauma informed way of working.

The team have increased their work within our homes. Working alongside children and young people who have experienced trauma is complex, requiring teams and professionals to remain empathetic, sensitive and focussed on the young people's needs. For the staff team to do this, they need to understand where our young people's struggles come from and that the behaviours we see are trauma responses. BTS practitioners spend time in our homes, providing reflective spaces to think about young people and their needs on an individual and team level. All staff receive a two-day Foundation Trauma and Attachment training course.

The team of therapists and social workers also offered support to children and young adults outside of Break's homes who have had adverse childhood experiences, however these side of the work closed in the summer of 2023 due to increased costs in delivering this service not recovered from fee income

The Emotional Wellbeing Service supports care experienced young people to enjoy enhanced emotional wellbeing, improving their potential to access opportunities and successfully transition to independence. Referral routes include social workers, personal advisors from local authorities and young people accessing Break's Staying Close Staying Connected (SCSC). The Emotional Wellbeing Service is a flexible service tailored to meet the need of our young people.

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 March 2024

Mentoring

At 31st March 2024 we had 18 mentors matched with young people and a further 20 going through our induction programme, whom we will be starting to match to young people over the coming months. Our mentoring programme offers positive outcomes and adds value for our young people. The young people Break support have had contact with care professionals throughout their lives. The young people report that they especially value their volunteer mentor who is choosing to be there for them. The aim is to empower young people to learn how to maintain a relationship, experience new activities and create a solid foundation to build their future self. Having someone outside their everyday network whom they can speak openly to and who support them in building their self-esteem, self-worth and confidence. Our aspiration is that all young people within Break will have access to a volunteer mentor.



As well as the core Mentoring Service we also facilitate Peer Mentoring. The focus of Peer Mentoring is for young people who have first-hand experience of living in care to share their stories and advice. Empowering those they speak with through shared knowledge, skills and being able to speak openly to someone who they can relate to.

Over the past 12 months we have seen several of our mentoring partnerships grow and adapt as they have supported the young person into independence. The mentor's involvement in this process allows there to be a consistent figure of support for the young person.

Anna has become a calming influence on my life. She's helped me deal with situations in a different way than I used to. I will go to her for advice. She gives me the escape I need from everyday stress. She makes life a little easier. She's a great friend and a great listener. I've known her for almost 7 years! The more people you can get on the mentoring programme the better, I can safely say it has had a positive impact on me

Fostering

We provide long term therapeutic foster placements for children and young people between the ages of 3 and 18. During the year we had **14 (2023/23 – 13) young people** in placements.

Our service offers predominantly intensive placements providing a family placement for young people who have experienced extreme trauma in their lives and cannot live in a "mainstream" foster home. Our team works hard to begin to heal some of the hurt through the relationships they build with the young people and through the therapeutic support offered.

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Staying Close, Staying Connected

Staying Close, Staying Connected (SCSC) offers a framework for young people as they leave residential care. As in the prior year, through funding from CHK Foundation, we have extended this offer to those leaving Foster care. SCSC offers the young people lifelong relationships.

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

In the year our SCSC service provided **23 houses and flats containing 37 beds** across the region. Each house provided much-needed stability to young people as they moved on from their children's home. In response to the needs of the service we now lease 10 (2022/23 – 4) one bed flats. Staying Connected coordinators continued to support young people to identify important people in their lives, and to find ways of building opportunities to engage with these people.

Lifelong Support – the Staying Connected Service

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

Support for families – Hazeldene

Break's residential family Assessment Centre, Hazeldene, had for many years provided a safe environment for parents who have had difficulties in caring for their children. The demand for the service however over the last 2 years had started to tail off and a decision to close the service on 31st March 2024 was made. In the year, we supported **9 (2023/23 – 23) families**.



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Services for Children and young people with disabilities

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

Nelson Lodge offers residential short breaks for children and young people with disabilities who live in Norfolk. The young people have time away from their families in a safe, secure environment while their parents and siblings enjoy a break from their 24/7 care responsibilities. Break's skilled and dedicated staff support young people to enjoy a range of activities, building confidence, independence skills and helping to form friendships. The service also provides opportunities for our young people to have experiences that would otherwise be out of reach due to the challenges that their disability brings, this has included in the year trips to climbing walls, ski slopes and an indoor skydiving centre.

We provided short breaks for our **26 young people for a total of 1047 nights (2023/23 25/950)**. Many of our families report that without the support of our service, their children would be in full-time residential care, and due to the lack of availability this will often be in a different county. This year one of our young people got to experience being a zookeeper for the day, learning about and feeding various animals including a giraffe and a tiger. Another young person visited Legoland. The home has recently purchased a VR headset which will allow our young people to "experience" even more opportunities virtually such as concerts, skydives and trips to other countries. This will also benefit our young people that don't know what to expect from a trip/activity and can do a practice run in the safety of our living room.

Morley House is a residential children's home for young people with learning disabilities and complex needs. During the past year (23/24) we have supported 5 (2022/23 4) young people with everything they needed to lead happy, safe and enjoyable lives. We helped them to manage their wellbeing and health, work on their life skills, make choices and decisions to have fun in whatever they wanted to do. We have put a lot of effort in supporting their communication skills so they could tell us what they wanted us to do and what home they wanted to have. We did many miles going out for drives, doing big and small activities like trampoline parks, meals out, cinema or weekend away in a holiday resort. We supported them to spend quality time with their families, which is something that matters to them most. We encouraged them to engage and enjoy their education and development. We shared celebrating their achievements and big events like birthdays and Christmas.

In the past year we have found new forever (adult) homes for two of our young people who are very well settled. We have been preparing two other young people soon to follow the same transitions. At the same time, we have welcomed a new young person who we enabled to live again in his home county of Norfolk closer to his family after having to live for the past two years in a county 3 hours away. All transitions went very well, which was accomplished thanks to having great understanding of the young people's needs and the relationships we have built with them.

Trafalgar Lodge is a children's home which provides individually focused and child-centred professional care and support for children and young people who have learning disabilities, physical disabilities, and communication difficulties. Trafalgar offers a safe environment that is caring and homely. Young people can enjoy activities, are encouraged to make choices, pursue their wishes and achieve personal goals. During the year **we supported 4 (2023/23 – 4) young people.**

The **Activity Breaks service** came to a close at 31st March 2024, the service had provided young people with disabilities the opportunity to do many of the things their peers take for granted and that would otherwise be denied to them because of their disability. We provided a range of supported community-based activities that are centered around the young person and what they want to do.

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Pathways to Work – Opportunities team

Break knows how important it is to expand the horizons of our young people and support them to achieve their potential as care experienced young people aged between 16 and 20 are four times more likely to be unemployed than their peers. Break offers safe environments with appropriate support to enable our young people to explore, build skills, have great experiences, test ideas and experiment.

Our aspiration projects continue to offer new experiences and opportunities for our young people to try new things and develop their peer network. We have hosted 6 residential and camping events which give our young people the chance to co-produce their experience over several days and take part in all kinds of activities both indoors and outdoors and while developing life skills such as cooking, cleaning, budgeting and living together. They have been able to stay in some really amazing spaces from rolling fields to 500-year-old properties exploring the history of their local communities while bonding with their peers. One of the most exciting of our residential experiences was again our Excelsior sailing trip where our young people got the chance to spend a week sailing on a 100 year old fishing vessel. Through working together to ensure the ship was set up to sail the seas hoisting sails and navigating their way to Belgium and back they were able to bond as a crew, develop new skills, and make new friendships. They also got to explore a new country and experience a new culture. Over the year **29 (2023/23 – 36) young people** from a range of our care services were able to access these residencies. All these activities give our young people the opportunity to build friendships and develop their support network with their peers. We have seen some great bonds develop over the year with many of our young people meeting up independently and socializing outside of our break events.

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

During the course of the year the coffee van has attended over 59 events from small car park gatherings for some of our corporate supporters, working with our fundraising team to support the art trails and marathons, as well as large weekend long festivals allowing more and more young people to get involved. We have been able to upgrade our set up allowing us to say yes to different types of event in the future. We have continued to work with our young people providing coffee making workshops with all of our care services including fostering SCSC and residential giving 24 young people the chance to give this experience a go. We have delivered barista training sessions for **7 young people** and offered work to **9 young people (2022/23 4/5)**.



We continue to see our young people moving through our employment pathways and realizing the benefits of going to work and we are so pleased that over the last year we have seen 2 of our young baristas move onto new jobs or apprenticeships as well as provided continued support to our young people in work who need help and advice on how to deal with the different challenges they face

Our construction workshop gives our young people the chance to develop their skills in construction and explore the potential careers on offer there. The project has supported **14 (2023/23 – 10) young people** to access taster sessions in brickwork and carpentry, as well as completing small projects within the Charity's homes. The workshops have also provided more long term support to both young people within Break as well as other care experienced young people in Norfolk. The project supported our young people to engage in their local community by volunteering with different construction projects across Norfolk.

Over the course of the year Our lifelong opportunities team **has supported 74 (2022/23 – 64) different young people through 315 (2022/23 – 188) different activities** and provided 3,200 (2022/23 - 4,000) of supported hours.

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Our Shops

Break's shops are valuable assets for the Charity. They generate income to help fund our charitable services and provide vital links with the local community, offering opportunities for people to support our work by donating goods or volunteering their time. Our volunteers are able to give something back, learn new skills and meet new people within a friendly environment. We are grateful for the many good quality donations of clothing, household items, toys and books we receive which we sell in our shops. Items not suitable for sale are recycled whenever possible to avoid them going to landfill.

During the year **712** (2023/23 – 712) **volunteers** worked in our shops.

At the year end, **Break had 46 shops with many of them operating an online operation out of them**, 31 in East Anglia and 14 in the West Country. Our newest shop opened in April 2024 in Horstead.



Fundraising

Much of the support offered by Break to children, young people and families is funded by charitable income from fundraising. The team developed some key income streams encompassing:

Trails - The project team's focus this year has been our second trail in Cambridge which launched in 2023 with the trail going live on the streets in March 24, with an auction of the Sculptures to take place in June 2024. At the same time the Norwich 2025 trail was launched.



Corporate - As well as engagement in trails, there has been a continued growth of corporate relationships and developing new partnerships across the region and support from a variety of sectors. This has resulted in an increase in corporate donations, in kind support, charity of the year partnerships and volunteering.

Events - We continue to focus on our most successful regular and popular events, alongside the introduction of new challenges and activities to extend our reach across our region. This has led to increased individual engagement and participation and great return on investment.

Individuals and Community - We continue to develop this area and have been working to reignite e-newsletters for supporters and are working to engage with a wider community beyond just Norwich.

Trusts and Foundations - Support from trusts and foundations is invaluable to our work with children and young people. We are working with local Norfolk and Cambridgeshire trusts and national grant-makers. These donations fund project work which is supporting children and young people with a care background to achieve successful life paths and challenge the national statistics of poor outcomes. Trusts and foundations are also supporting Break to test new project initiatives and gather evidence which contributes to bigger projects and can lead to systemic change for care services nationally. Please contact us if you are a trust that aligns with our work as we would be grateful to start a conversation on how we can work together to make a meaningful difference.

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

Funder	Break Service	Amount
Esmee Fairbairn Foundation	Staying on Track	£93,985
CHK Foundation	Staying Close, Staying Connected - Fostering Futures	£92,550
The Thompson Family Charitable Trust	Opportunities Team	£50,000
Norfolk Construction Charitable Trust	Opportunities Team	£35,372
Norfolk Community Foundation – Through the Love Norfolk Fund and the West Norfolk Employment Fund	Opportunities Team/ Coffee van	£10,000
Alan Boswell Group Charitable Trust	Opportunities Team	£19,000
The John Horseman Trust	Opportunities Team	£18,000
The Paul Bassham Charitable Trust	Opportunities Team	£10,000
Garfield Weston Foundation	Mentoring	£10,000
The Linder Foundation	Opportunities Team	£10,000
The Ranworth Trust	Opportunities Team	£10,000
Norfolk Community Foundation through the Public Health – Empowering Communities for Mental Health and Wellbeing Fund & Co-Op Community cares fund	Mentoring	£12,650
The Ellerdale Trust	Opportunities Team	£6,000
The Whirlwind Trust	Opportunities Team	£5,674
Cambridgeshire Community Foundation	Staying Close, Staying Connected	£5,400
Norfolk Community Foundation through Sir Norman Lamb Mental Health and Wellbeing Fund	Opportunities Team	£5,000
Salter Charitable Trust	Opportunities Team	£5,000
Hays Travel	Opportunities Team	£5,000
The Hodge Foundation	Opportunities Team	£5,000
RYA Foundation	Opportunities Team	£3,340
The Paget Charitable Trust	Opportunities Team	£3,000
The Percy Bilton Charity	Morley House – Sensory room	£3,000
Lady Hind Trust	Opportunities Team	£2,500
The Nineveh Charitable Trust	Opportunities Team	£2,500
The Alan Snudden Charitable Trust	Opportunities Team	£2,000
The Benham Charitable Settlement	Opportunities Team	£2,000
The Annie Tranmer Charitable Trust	Opportunities Team	£2,000
The Spurrell Charitable Trust	Opportunities Team	£2,000
The Hobson Charity	Morley House	£2,000

We would also like to thank the following supporters of Break where the value of support has exceeded £5,000

Adrian Flux Insurance Group	Grafton Centre
Alan Boswell Group Charitable Trust	Frاند Arcade
Alan Boswell Insurance	Hill Residential Ltd
Anglia Ruskin University	Hilton Cambridge City Centre
Bridge Partners	Milton Hall
Cambridge BID	Novotel Cambridge
Cambridge City Council	Paragraph Publishing
Cambridge Independent	Pentaco Construction Limited
Cambridge Music	QD Stores
Carter Jonas	Railpen
First Copy	The Perse School
Foraspace	University of Cambridge
GEANT	Welch Transport
Gonville Hotel	Xaar Plc

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 March 2024

B) Financial Review

Results

Break incurred a deficit of **£308k** (2022/23 (£504k)) in the year. The total loss for the year was comprised as follows:-

- A loss of **£83k (2022/23 £174k)** before transfers of £150k from designated funds, creating an overall unrestricted surplus of £67k.
- A deficit of **£196k** (2022/23 £43k) on designated funds before transfers of £184k out of the funds, creating an overall deficit of £380k on designated funds.
- A deficit of **£29k** (2022/23 £286k) on restricted funds before transfers of £34k from designated funds to create an overall surplus of £5k.

The value of net assets decreased from £5,429k to **£5,121k**. Of these, unrestricted funds accounted for **£5,001k** (2022/23 £5,314k) (including designated funds of **£428k** (2022/23 £808k) and a revaluation reserve of £662k (2022/23 £662k)).

During the year Break closed 2 services that were no longer financially sustainable, Hazeldene and Activity breaks. Within the income for the year £737k relates to those 2 projects and £1,047k of expenditure.

Reserves Policy

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

The level of free reserves is set by the Board of Trustees on an annual basis and regularly monitored throughout the year. Action is taken if actual free reserves fall significantly outside the target level established. The Finance Committee reviewed the Reserves Policy in February 2024 alongside the budget for April 2024 to March 2027 and recommended to the Board of Trustees a target for free reserves of £1,026k.

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

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

Free reserves as at 31 March 2024 were **£703k** (2022/23 £1,061k). Free reserves were lower than the policy, due to the closure of Hazeldene in March 2024 and the use of reserves to upfront fund the new tender contracts that included the purchase a property against using loan financing, due to the increased interest rates in the year. The Charity's reserves will increase in 2024/25 back in line with the Charity's policy.

As at 31 March 2024, the Charity had Designated Funds of **£428k** (2022/23 £808k). Designated Funds are funds set aside by the Trustees out of unrestricted funds to support specific future purposes and projects. Details of the Designated Funds, together with movements during the year, are given in Note 20 to the financial statements.

As at 31 March 2024, the Charity had Restricted Funds of **£120k** (2022/23 £115k). Restricted Funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Details of the Restricted Funds, together with movements during the year, are given in Note 20 to the financial statements.

Funding Sources

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

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 March 2024

Investment Policy

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

Principal Risks and Uncertainties

The Trustees undertake continual assessment of the principal risks facing the Charity and are satisfied that adequate controls and procedures are in place to mitigate these risks. The Risk, Governance and HR committee is responsible for overseeing the approach to risk across the whole of the Charity's activities. During the year the Charity reviewed and revised its risk management system to aid improved reporting at both operational and strategic level whilst continued assurance that all risks are assessed and reported. All risks identified are logged and initially assessed as a risk (with no mitigation), mitigations and controls are then applied with the aim of reducing the risk to an acceptable level.

Risks are scored on impact and likelihood which give an overall risk score. Any risk scoring over 16 is reported to the board through the agreed board reporting processes, operational risks are managed by the relevant manager. The Executive review the risks on a fortnightly basis. Board sub committees review their strategic risks at their meetings during the year.

The key risks identified by the Trustees are:

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

All the above risks have been reviewed by the Trustees during the year, who consider that the controls and mitigations in place for each risk area is appropriate. Measures that are in place to mitigate the above key risks include:-

- Increase in number of mobile team staff employed that are able to drop into all services,
- Regular referral meetings to ensure any voids are quickly filled
- Risk assessments, regular maintenance and testing of equipment and procedures in all services
- Pricing reviews and reviewing of quality of services provided

The strategic risk analysis is reviewed by the Trustees on an annual basis.

Key Performance Indicators

Trustees monitor the Charity's Key Performance Indicators (KPIs) on a regular basis. If a situation arises, as happened during the pandemic, meetings are increased in frequency to enable a closer level of scrutiny during those times. The financial KPIs are reviewed periodically and the results reported through the Management Accounts. The KPIs include performance against budget, occupancy, net current assets, reserve levels and staff costs compared with income.

Going concern

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

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 March 2024**

C) Plans for future periods

The Trustees anticipate a challenging year ahead for the Charity in light of current highs in interest rates and the continued cost of living having an impact on our young people leaving care, together with rises impacting expenditure which is not always matched in the income we receive, especially that which is restricted by contractual terms.

We have continued to see strong returns to our income streams from our retail and fundraising activities, sustaining these levels is key.

Our Strategy 2023-2026

The Board have signed off a three-year strategy focussed on four themes: Relationships, Quality, Ambition and Added Value. We will drive our charitably funded services to ensure that we continue to pioneer and innovate.

We will do this by:

- Giving a voice and listening to care experienced young people by
 - co-producing service developments
 - influencing local and national policy
 - supporting young people to have a platform to share their experiences and opinions
- Developing opportunities for young people to transform their next steps in
 - education
 - employment
 - training
 - wellbeing
 - positive relationships
- Delivering high quality local services by
 - being trauma informed in all we do
 - working alongside Ofsted and local commissioners
 - having highly trained staff
 - strong Quality assurance
 - high quality accommodation
- Raising funds to give us freedom to add value and increase opportunities to the beneficiaries we serve by
 - running high quality charity shops
 - delivering innovative fundraising events that build our supporter base
 - maximising all income opportunities through Trusts/Grants and Legacies
 - increasing income from fundraising and retail by 20% over the next 5 years
- Having systems and support functions that enable Break to be the best it can be by
 - ensuring that all support services are working together to achieve our vision
 - working in a co-produced, collaborative way that builds positive relationships and best outcomes

Our 2024-25 activity will include:

- continuing to explore an 18-25 Staying Close provision for young people with disabilities
- pledging to raise more unrestricted funds through innovation in Fundraising – so that we can reach even more young people
- developing a net-zero plan to reduce our carbon footprint
- developing more services in a financially sustainable way to offer a place to call home to more young people
- amplifying our influence in the sector to ensure that we share best practice with all providers.

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 March 2024

D) Structure, Governance and Management

Governing Document

Break is a charitable company limited by guarantee, incorporated in England and Wales on 15 February 1983 and registered as a charity on 6 May 1983. Break's Memorandum of Association establishes its objects and powers, which are governed under Break's Articles of Association. In the event of the Charity being wound up, the members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

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

New appointments to the Board are made after completion of a Trustee skills gap analysis and an open recruitment process to attract volunteers with appropriate skills. In accordance with the Memorandum and Articles of Association a third of all Trustees in office are required to retire each year. The Trustees who are required to retire by rotation are those who have been longest in office since their appointment or reappointment. The Trustees take into account the Charity Commission's recommendation that the total length of office should not normally exceed nine years; however, the total period of appointment may be varied in any particular case if the other Trustees then serving at the time determine that it would be in the interests of the Charity to do so. The names of all Trustees are listed on page 1.

Trustee Induction and Training

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

Organisational Structure

The Board may delegate any of its powers to any committee consisting of one or more members of the Board or Executive Officers. Break has 4 sub-committees on Finance, Income Generation, Care Services, and Risk, Governance and HR. These are chaired by Board members and involve Executive Officers and some of the wider staff team.

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

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

Trustee attendance

During the year there were a total of 18 (2022/23 18) Board and sub-committee meetings, overall attendance at the meetings was 89% (2022/23 83%).

Pay policy for key management personnel

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

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

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

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 March 2024**

Risk Management

The Trustees believe that the major risks to which the Charity are exposed to have been identified, reviewed and assessed. Systems are established to mitigate those risks, The principal risks and uncertainties and the response to specific risks are set out on Page 12.

Fundraising Practices

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

No complaints about fundraising activity were received in the year (2022/23 – none).

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

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

Staff and volunteers

Break's staff and volunteers are critical to the ongoing success of the Charity. Their time, skill, passion and dedication ensure Break is able to deliver the best possible services for the children and families supported. Break's volunteers continue to provide invaluable input throughout the Charity, but especially to the retail operations. A conservative estimate of their contribution to the Charity is equivalent to £300,000 (2022/23 - £325,000) of paid salary hours.

Employee engagement

Break actively encourages the engagement of employees and welcomes constructive comments on the running of the Charity. The principal structure for this is the Staff Consultation Forum, a staff body of 25 representatives from all disciplines, departments and services. The Forum meets three times a year and is attended by senior members of the Executive and Trustees.

We also carried out an Employee Engagement Questionnaire this year and, based on the feedback, have changed the way we work. Some of the changes we made are:

- Wider engagement of the Leadership Team across the organisation
- Delivering training across the region rather than being Norwich centric
- Updating our staffing benefits packages
- Developing an internal communications platform – Yammer – to ensure all colleagues keep up to date.

Break was reviewed and awarded a Gold standard by Investors In People this year and we continue to develop our engagement activity through well-being groups, staff champions and regular communication of key messaging.

Break continued the communication with employees and volunteers during the year. The frequency of a news update from the CEO remained weekly. The Director of Care also reports on a weekly basis to all colleagues in care services covering achievements and activities in the division. We have migrated to Microsoft 365 over the last 6 months and this has worked well. Our next steps are to fully integrate its use for version control, team working and internal communications.

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 March 2024

Policy for employment of disabled persons

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

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

The Environment

We are committed to improving our environmental awareness and reducing the impact of the Charity on our environment, both now and in the future. We recognise climate change is one of the most serious environmental challengers currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We are continuously monitoring the way in which we work and taking on learnings to improve and adapt those ways to have a more positive impact on the environment, these include

- Using Microsoft teams for meetings, which has not only meant the need not to travel to locations, but has also enabled meetings to happen sooner as they take up less time as no travel required.
- Introducing hybrid working practices reducing our staff's private travel
- Replacing boilers at our properties to more efficient ones as they come up for replacement.
- Improving lighting systems by changing to LEDs
- Installing smart heating devices to properties
- Adding 3 electric vehicles to the fleet

We have mapped 12 months of continuous consumption data for of our premises the table below details the usage across the Charity. The period covered was the calendar year to 31 December 2023. The BEIS' greenhouse gas conversion factors for company reporting, published in June 2023 were used in the calculations. The main increase in usage relates to travel, this has increased as we are visiting our young people more often than we did when we came out of lockdown to give them the 1:1 in person support that helps make a difference to them.

	Jan – Dec 2023		Jan- Dec 2022	
	Use in Kwh	Carbon Emissions tCO2e	Use in Kwh	Carbon Emissions tCO2e
Total electric use	737,615	153	765,808	159
Total gas use	548,321	126	459,577	106
Total transport fuel	256,777	173	151,044	151
Total energy from other fuels	172,721	38	203,775	45
Total energy use (all sources)	1,715,434	490	1,580,204	461
Total estate size		12,124sqm		12,007sqm
Carbon intensity ratio		40.41KgCO2e per sqm		38.37KgCO2e per sqm

We will map out where investment can be prioritised to achieve greatest impact as part of our facilities review plan. Further work needs to be done to routinely monitor water consumption and waste to further stretch our environmental impact reduction targets. We will be looking at our procurement of services and how we can improve our impact on the environment.

Break

REPORT OF THE BOARD OF TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 March 2024

Responsibilities of the Board of Trustees

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

Company law requires the Board of Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Auditor

Following a competitive tender process in 2023 the Board appointed Price Bailey LLP as the Charity's auditors from the year ended 31 March 2023 and will recommend to the AGM that they should continue to be engaged as auditors for the forthcoming year.

Disclosure of information to the auditor

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

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

We have disclosed to the company's auditor all forecasts and workings based on current knowledge and actions, including the effect on cash flow, reserves and funds, to validate our conclusion that Break's accounts should be prepared on a going-concern basis.

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

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

Approved by the Board of Trustees on 15th July 2024 and signed on its behalf by:



Bev Hall (Mon, 23rd Sep 2024 12:38:26
BST)

Beverley Hall, Trustee

Break

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 March 2024

Opinion

We have audited the financial statements of Break (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Break

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 March 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and directors' report) 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 strategic report and the directors' report.

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

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

Break

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 March 2024

We gained an understanding of the legal and regulatory framework applicable to the charity and how it operates and considered the risk of the charity not complying with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charitable company this included employment law, financial reporting, data protection and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Management override: We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed minutes of Trustee meetings, any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management including those responsible for the key regulations. We have reviewed the procedures in place for reporting of incidents to the Trustee Board and, escalation procedures and serious incident reporting of these matters as necessary with the Charity Commission.
- We have made enquiries of management and trustees of the charitable company regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of this document by the Board of Trustees.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Break

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 March 2024

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 and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Aaron Widdows ACA FCCA
Senior Statutory Auditor

For and on behalf of
PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Anglia House 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
NR7 0HR

Date: 23 September 2024

Break

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 March 2024

	Note	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	2024 Total £000	2023 Total £000
Income from:						
Donations and legacies	2	356	244	1,020	1,620	1,988
Charitable activities	3	8,409	-	557	8,966	7,754
Other trading activities	4	4,679	1	-	4,680	4,576
Investments	5	40	-	-	40	23
Other	6	1	-	-	1	5
Total		13,485	245	1,577	15,307	14,346
Expenditure on:						
Raising funds	7	4,483	269	-	4,752	4,333
Charitable activities	7	9,075	172	1,606	10,863	10,168
Total	7	13,568	441	1,606	15,615	14,501
Net expenditure		(83)	(196)	(29)	(308)	(155)
Transfers between funds	20	150	(184)	34	-	-
Losses on revaluation of fixed assets	12	-	-	-	-	(349)
Net movement in funds		67	(380)	5	(308)	(504)
Reconciliation of funds						
Total funds brought forward		4,506	808	115	5,429	5,933
Total funds carried forward	20	4,573	428	120	5,121	5,429

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

The notes on pages 25 to 43 form part of these financial statements

Break

BALANCE SHEET

AS AT 31 March 2024

COMPANY NUMBER:01699685

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	12		3,862		3,437
Investments	13		8		8
			<u>3,870</u>		<u>3,445</u>
Current assets					
Stock	14	1		-	
Debtors	15	1,687		1,233	
Cash at bank and in hand	16	710		1,638	
		<u>2,398</u>		<u>2,871</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(984)		(685)	
			<u>1,414</u>		<u>2,186</u>
Net current assets					
			<u>5,284</u>		<u>5,631</u>
Total assets less current liabilities					
Long-term liabilities					
Creditors: amounts falling due after more than one year	18		(163)		(202)
			<u>5,121</u>		<u>5,429</u>
Total net assets					
			<u>5,121</u>		<u>5,429</u>
The funds of the Charity					
Restricted funds	20		120		115
Unrestricted funds					
Designated funds	20	428		808	
General funds	20	3,911		3,844	
Revaluation reserve	20	662		662	
			<u>5,001</u>		<u>5,314</u>
			<u>5,121</u>		<u>5,429</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 15th July 2024.

Signed on behalf of the Board of Trustees

Beverley Hall, Trustee



Bev Hall (Mon, 23rd Sep 2024 12:38:26 BST)

Frank Shippam, Trustee



Frank Shippam (Mon, 23rd Sep 2024 10:35:43 BST)

The notes on pages 25 to 43 form part of these financial statements

Break

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 March 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities	23	(471)	(271)
Cash flows from investing activities			
Purchase of tangible fixed assets		(440)	-
Proceeds from the sale of tangible assets		-	7
Interest paid		(13)	(19)
Interest received		40	23
Net cash flow from investing activities		(413)	10
Cash flows from financing activities			
Repayment of mortgage		(44)	(203)
Net cash flow from financing activities		(44)	(203)
Net decrease in cash and cash equivalents		(928)	(464)
Cash and cash equivalents at 1 April 2024		1,638	2,101
Cash and cash equivalents at 31 March 2024		710	1,638
Cash and cash equivalents consist of:			
Cash at bank and in hand		246	142
Short term deposits		464	1,496
Cash and cash equivalents at 31 March 2024		710	1,638

The notes on pages 25 to 43 form part of these financial statements

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

1. Accounting Policies

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

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

a) Basis of preparation

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

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

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

b) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. The most significant of these judgements relates to the valuation of the Charity's properties as per accounting policy g) below

c) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist.

In particular, the Trustees have carefully considered all available information about the effect of inflationary pressures on the finances and operations of the Charity for 12 months from the time of approving these financial statements. The Trustees have had regard to information from budgets and forecasts for income, expenditure and cash-flow, including the availability of unrestricted funds and reserves.

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

d) Group financial statements

The Charity's subsidiary company remained dormant for the year ended 31 March 2024 and has therefore not been consolidated.

e) Income

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

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

1. Accounting Policies (continued)

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

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

Legacies are included in the Statement of Financial Activities when the Charity becomes aware of its entitlement to the gift and the amount involved can be quantified, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

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

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

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

Income from investments is included when receivable.

Income from other trading activities is Received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

f) Expenditure

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

1. Accounting Policies (continued)**g) Freehold property**

The Board have adopted a policy of revaluing freehold property as permitted by FRS 102. The Board have elected to conduct a periodic revaluation of the Charity's properties. The properties held by the Charity were revalued in June 2023 by Brown & Co - Property and Business Consultants LLP.

Freehold property is not depreciated on the basis that it relates to properties which have a very long useful life and the residual value is likely to be not materially different from the carrying amount. Annual impairment reviews are carried out. Where a revalued property's carrying amount exceeds its recoverable amount, an impairment loss is recognised as a revaluation decrease within the Statement of Financial Activities.

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

h) Tangible assets

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

i) Depreciation

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

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

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

j) Investments

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

k) Leasing

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

l) Pension schemes

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

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

1. Accounting Policies (continued)

m) Fund accounting

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

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

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

n) Stock

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

o) Redundancies

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

p) Taxation

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

q) Debtors and creditors

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

r) Cash at bank

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

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

2. Income from donations and legacies

	Unrestricted	Designated	Restricted	2024	2023
	£000	£000	£000	£000	£000
Grants & donations	320	244	350	914	1,180
Government Grants:-					
Service Delivery	-	-	670	670	661
Legacies	36	-	-	36	147
	<u>356</u>	<u>244</u>	<u>1,020</u>	<u>1,620</u>	<u>1,988</u>

Income from grants and donations in 2022/23 was £1,180k, of which, £277k was attributable to unrestricted funds, £556k to designated funds and £347k to restricted funds. Service Delivery Government Grants are for the Staying Close Staying Connected project.

Income from government grants in 2022/23 was £661k, of which all was attributable to restricted funds.

Income from legacies in 2022/23 was £147k of which all was attributable to unrestricted funds.

3. Income from charitable activities

	Unrestricted	Designated	Restricted	2024	2023
	£000	£000	£000	£000	£000
Fees for care services	8,400	-	-	8,400	7,339
Housing income	3	-	557	560	419
Training income	6	-	-	6	(4)
	<u>8,409</u>	<u>-</u>	<u>557</u>	<u>8,966</u>	<u>7,754</u>

Income from fees for care services in 2022/23 was £7,339k, of which, £7,327k was attributable to unrestricted funds, and £12k to restricted funds.

Income from housing income in 2022/23 was £419k, of which and £399k was attributable to restricted funds and £20k to unrestricted funds.

Income from training income in 2022/23 was (-£4k) of which all was attributable to unrestricted funds.

Break**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 March 2024****4. Income from other trading activities**

	2024	2023
	Unrestricted	Unrestricted
	£000	£000
Fundraising sale of new goods	2	8
Coffee van sales	14	10
Retail income – see analysis below	4,664	4,558
	<u>4,680</u>	<u>4,576</u>

Included within Fundraising sale of new goods is £1k relating to designated income (2022/23 £7k)

Analysis of retail income	2024		2023	
	£000	£000	£000	£000
Retail income	4,652		4,545	
*Sale of new goods	12		12	
Insurance income (Note 6)	-		5	
		<u>4,664</u>		<u>4,562</u>
Retail costs		(4,107)		(3,741)
Surplus		<u>557</u>		<u>821</u>

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

5. Income from investments

	Unrestricted	Unrestricted
	2024	2023
	£000	£000
Interest receivable	40	23
	<u>40</u>	<u>23</u>

6. Other income

	Unrestricted	Unrestricted
	2024	2023
	£000	£000
Miscellaneous income	1	5
	<u>1</u>	<u>5</u>

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

7. Analysis of expenditure by activity

31.03.2024	Direct costs £000	Support costs £000	2024 Total £000	2023 Total £000
<i>Charitable expenditure</i>				
Young people in care	3,764	731	4,495	3,674
Children with disabilities	2,437	562	2,999	3,066
Family support	1,318	357	1,675	1,637
Children at risk	1,310	328	1,638	1,757
Support services	-	56	56	34
	<u>8,829</u>	<u>2,034</u>	<u>10,863</u>	<u>10,168</u>
<i>Raising funds</i>				
Retail and other trading activities	3,675	447	4,122	3,751
Fundraising	575	55	630	582
	<u>4,250</u>	<u>502</u>	<u>4,752</u>	<u>4,333</u>
	<u>13,079</u>	<u>2,536</u>	<u>15,615</u>	<u>14,501</u>

Charitable expenditure includes £1,606k attributed to restricted funds (2022/23 £1,705k) and £172k (2022/23 £309k) relating to designated funds, all other expenditure was unrestricted.

Expenditure on raising funds includes £Nil (2022/23 £Nil) attributed to restricted funds and £269k (2022/23 £297k) relating to designated funds, all other expenditure was unrestricted.

31.03.2023	Direct costs £000	Support costs £000	2023 Total £000	2022 Total £000
<i>Charitable expenditure</i>				
Young people in care	3,006	668	3,674	2,985
Children with disabilities	2,537	529	3,066	2,701
Family support	1,265	372	1,637	1,635
Children at risk	1,422	335	1,757	1,731
Support services	-	34	34	88
	<u>8,230</u>	<u>1,938</u>	<u>10,168</u>	<u>9,140</u>
<i>Raising funds</i>				
Retail and other trading activities	3,374	377	3,751	3,515
Fundraising	535	47	582	667
	<u>3,909</u>	<u>424</u>	<u>4,333</u>	<u>4,182</u>
	<u>12,139</u>	<u>2,362</u>	<u>14,501</u>	<u>13,322</u>

Charitable expenditure includes £1,705k attributed to restricted funds (2021/22 £1,799k) and £309k (2021/22 £10k) relating to designated funds, all other expenditure was unrestricted.

Expenditure on raising funds includes £Nil (2021/22 £Nil) attributed to restricted funds and £297k (2021/22 £460k) relating to designated funds, all other expenditure was unrestricted

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

Governance costs

	2024	2023
	£000	£000
Governance costs (included within support costs below) comprise:		
Salaries	32	34
Travel	4	1
Audit fees	15	12
Auditors' remuneration for taxation and services	-	1
Other professional fees and support costs	3	1
	<u>54</u>	<u>49</u>
Expenditure includes:		
Depreciation (owned assets)	15	25
(Profit) / loss on disposal of assets	-	(4)
Operating lease rentals land and buildings	901	881
Auditors' remuneration	15	12
Trustee indemnity insurance	2	2
	<u>937</u>	<u>925</u>

8. Analysis of support costs

	<i>Basis of allocation</i>	2024	2023
		£000	£000
<i>Direct support costs</i>			
Operational management	Direct expenditure	540	419
Training	Head count	274	317
Maintenance	Direct expenditure	202	149
		<u>1,016</u>	<u>885</u>
<i>Central overheads</i>			
Head office establishment	Direct expenditure	213	186
Finance	Direct expenditure	269	243
Health and safety	Head count	137	104
Human resources	Head count	328	275
Information technology	Head count	186	184
Communications	Direct expenditure	187	170
Chief Executive's office / governance	Direct expenditure	200	315
		<u>1,520</u>	<u>1,477</u>
Total		<u>2,536</u>	<u>2,362</u>

9. Interest payable

	2024	2023
	£000	£000
On mortgages not wholly repayable within five years	13	19

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

10. Staff costs

	2024	2023
	£000	£000
Wages and salaries	9,213	8,455
Social security costs	786	733
Pension contributions and life insurance	465	437
	<hr/>	<hr/>
	10,464	9,625
	<hr/>	<hr/>

The figure for staff costs includes taxable benefits of £28k in relation to life assurance (2022/23 £28k)

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2024	2023
	No.	No.
£60,000 to £69,999	3	3
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-

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

	2024	2023
	No.	No.
Care	256	255
Retail	146	139
Fundraising	7	7
Administration	42	42
	<hr/>	<hr/>
	451	443
	<hr/>	<hr/>

The average number of full time equivalents employed during 2024 was; Care 180 (2022/23 175); Retail 764 (2022/23 78); Fundraising 7 (2022/23 6); Administration 35 (2022/23 35)

Redundancy/termination payments of £156k (2022/23 £58k) were made in the year. No amounts were outstanding at the year end (2022/23 £Nil).

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

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

No members of the Board received expenses in the course of their duties during the year in respect of travelling and subsistence (2022/23 £Nil).

Key management personnel are considered to be the Chief Executive and the Executive team as detailed on Page 1. The total amount of employee benefits received by key personnel is £388k (2022/23 £418k).

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

12. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Furniture, fixtures and fittings £000	Computer equipment and software £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 April 2023	3,400	359	685	178	82	4,704
Additions	440	-	-	-	-	440
At 31 March 2024	3,840	359	685	178	82	5,144
Depreciation						
At 1 April 2023	-	338	683	178	68	1,267
Charge for the year	-	8	1	-	6	15
At 31 March 2024	-	346	684	178	74	1,282
Net book value						
At 31 March 2024	3,840	13	1	-	8	3,862
At 31 March 2023	3,400	21	2	-	14	3,437

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

The freehold properties were revalued in June 2023 by an independent registered Chartered Surveyor. The properties are valued on the basis of them being converted back to residential private dwellings except for two of the properties (Nelson Lodge and Morley House) which are valued on the basis of alternative use as offices. Expenditure to convert the properties for sale has been taken into account in the valuations. The Board have adopted a policy of revaluing freehold property as permitted by FRS 102 and will review the need for revaluation of the Charity's properties on an annual basis. As at 31 March 2024, the Trustees consider the current valuations for property to be correct.

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

	2024		2023	
	Cost £000	Depreciation £000	Cost £000	Depreciation £000
Freehold property	4,113	706	3,673	630

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

13. Fixed asset investments

Investment holdings

	Unquoted investments £000	Total 2024 £000	2023 £000
Market value at 1 April 2023	8	8	8
Market value at 31 March 2024	8	8	8

Unquoted investments

		2024 £000	2023 £000
Subsidiary undertaking:			
Break Trading Company Limited		-	-
Helpcards Holdings Limited (0.67% holding)		8	8
		8	8

The investment of £100 in Break Trading Company Limited (01300043), a company incorporated in England, represents 100% of the issued share capital of that company. The company has remained dormant throughout the year. The aggregate amount of net assets attributable to Break is £Nil (2023/23 £Nil). As at 31 March 2024 the company owed £877 (2023/23 £877) to Break.

In the opinion of the Board, on the basis of income received, the value of the investments in Helpcards Holdings Limited is unchanged from 2023/23.

14. Stocks

	2024 £000	2023 £000
Retail goods for resale	1	-

15. Debtors

	2024 £000	2023 £000
Trade debtors	885	596
Accrued income	410	296
Other debtors	152	130
Prepayments	240	211
	1,687	1,233

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

16. Cash in bank and in hand

	2024	2023
	£000	£000
Current accounts	208	105
Treasury and other deposits	464	1,496
Cash in hand and imprest accounts	38	37
	710	1,638

17. Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Mortgages	40	45
Trade creditors	383	235
Social security and other taxes	198	158
Accruals	165	185
Deferred income	111	-
Other creditors	87	62
	984	685
Secured creditors included above are as follows:		
Mortgages: Secured by fixed charges over the Charity's freehold properties	40	45
Deferred income included above is as follows:		
Brought forward	-	1
Released during the year	-	(1)
Deferred during the year	111	-
Carried forward	111	-

Deferred income relates to grant income deferred to the period in which delivery and expenditure will occur.

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

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

	2024 £000	2023 £000
Mortgages: secured by fixed charges over the Charity's freehold properties	163	202
Mortgages are analysed as follows:		
Between one and two years	43	46
Between two and five years	51	80
Over five years	69	81
	163	202
Within one year	40	45
	203	247

Mortgages include a loan of £292k drawn from Lloyds Bank plc in September 2011 repayable over 15 years at a variable rate of 2.25% above the Bank of England Base Rate, a loan of £176k drawn from Lloyds Bank plc in June 2013 repayable over 10 years at a variable rate of 2.34% above the Bank of England Base Rate (repaid in the year) and a loan of £166.5k drawn from Lloyds Bank plc in April 2019 repayable over 15 years at a fixed rate of 4.58%. The loans are secured on various freehold properties.

19. Operating lease commitments

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

	Land & buildings 2024 £000	Land & buildings 2023 £000	Motor vehicles 2024 £000	Motor vehicles 2023 £000
Not later than 1 year	452	538	161	103
Later than 1 year and not later than 5 years	655	977	230	152
Later than 5 years	332	400	-	-
	1,439	1,915	391	294

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

20. Funds

2023/24

	Balance as at 01.04.23 £000	Income £000	Expenditure £000	Transfers £000	Balance as at 31.03.24 £000
Restricted Funds					
Centre funds	17	9	(18)	-	8
SCSC	3	1,231	(1,168)	1	67
Young Persons Celebration	1	-	-	-	1
Norwich Consolidated Charities	14	-	(12)	-	2
Staying on Track	32	89	(91)	-	30
Fostering Futures	-	93	(92)	(1)	-
Mentoring	1	9	(23)	13	-
Make a dream	-	18	(4)	-	14
Opportunities Team	47	128	(198)	21	(2)
	<u>115</u>	<u>1,577</u>	<u>(1,606)</u>	<u>34</u>	<u>120</u>
Designated Funds					
Wellbeing & Services Added Value (My Break 50)	51	-	(20)	-	31
Commercial Development	200	-	-	(150)	50
Apprenticeships	102	-	(16)	-	86
Cambridge Trail	91	-	-	-	91
Go-Go Discover	-	110	(51)	(34)	25
Standing Tall Trail	38	135	(218)	-	(45)
Go-Go Break	176	-	(136)	-	40
Building repairs	150	-	-	-	150
	<u>808</u>	<u>245</u>	<u>(441)</u>	<u>(184)</u>	<u>428</u>
Unrestricted Funds					
Revaluation reserve	662	-	-	-	662
General Funds	3,844	13,485	(13,568)	150	3,911
	<u>4,506</u>	<u>13,485</u>	<u>(13,568)</u>	<u>150</u>	<u>4,573</u>
Total unrestricted funds	<u>5,314</u>	<u>13,730</u>	<u>(14,009)</u>	<u>(34)</u>	<u>5,004</u>
Total Funds	<u><u>5,429</u></u>	<u><u>15,307</u></u>	<u><u>(15,615)</u></u>	<u><u>-</u></u>	<u><u>5,121</u></u>

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

Transfers Between funds 2023/24

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

Mentoring and Opportunities team – Funds transferred from the Designated Go-Go Discover fund to cover shortfall of income in service. SCSC and Fostering futures transfer to cover costs included in cost centre.

Commercial Development – £150k has been transferred to unrestricted funds to fund the costs of the Suffolk solo service start up in the year.

Go-Go Discover – These funds have been used to support Mentoring and Opportunities as above.

Transfers Between funds 2022/23

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

SCSC, Education Officer and Opportunities – Funds transferred from the Designated Go-Go Discover fund to cover shortfall of income in service.

Commercial Development – £150k has been transferred from unrestricted funds to fund future tender and bid support.

Go-Go Discover – These funds have been used to support SCSC, Education Officer and Opportunities as above, with the balance then transferred into the Go-Go Break fund.

Building Repairs – £52k has been transferred from unrestricted funds to cover future repair costs across the organisations buildings.

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

Funds (continued)

2022/23

	Balance as at 01.04.22 £000	Income £000	Expenditure £000	Transfers £000	Valuation Losses £000	Balance as at 31.03.23 £000
Restricted Funds						
Centre funds	18	29	(30)	-	-	17
SCSC	4	1,047	(1,160)	112	-	3
Young Persons Celebration	3	-	(2)	-	-	1
Norwich Consolidated Charities	19	-	(5)	-	-	14
Staying on Track	37	85	(90)	-	-	32
Fostering Futures	74	43	(117)	-	-	-
Education Officer	-	17	(20)	3	-	-
Mentoring	-	21	(20)	-	-	1
Make a dream	-	15	(15)	-	-	-
Opportunities Team	101	162	(246)	30	-	47
	<u>256</u>	<u>1,419</u>	<u>(1,705)</u>	<u>145</u>	<u>-</u>	<u>115</u>
Designated Funds						
Wellbeing & Services Added Value (My Break 50)	32	-	(19)	38	-	51
Organisational Well-being	10	-	-	(10)	-	-
Adding Value (Go-Go Hares)	28	-	-	(28)	-	-
Commercial Development	50	-	-	150	-	200
Apprenticeships	125	-	(23)	-	-	102
Cambridge Trail	91	-	-	-	-	91
Charms Development	13	-	(13)	-	-	-
Go-Go Discover	53	469	(241)	(281)	-	-
Standing Tall Trail	-	94	(56)	-	-	38
Go-Go Break	240	-	(200)	136	-	176
Building repairs	152	-	(54)	52	-	150
	<u>794</u>	<u>563</u>	<u>(606)</u>	<u>57</u>	<u>-</u>	<u>808</u>
Unrestricted Funds						
Revaluation reserve	635	-	-	-	27	662
General Funds	4,248	12,364	(12,190)	(202)	(376)	3,844
	<u>4,883</u>	<u>12,364</u>	<u>(12,190)</u>	<u>(202)</u>	<u>(349)</u>	<u>4,506</u>
Total unrestricted funds	<u>5,677</u>	<u>12,927</u>	<u>(12,796)</u>	<u>(145)</u>	<u>(349)</u>	<u>5,314</u>
Total Funds	<u><u>5,933</u></u>	<u><u>14,346</u></u>	<u><u>(14,501)</u></u>	<u><u>-</u></u>	<u><u>(349)</u></u>	<u><u>5,429</u></u>

Break

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

Restricted Funds

Centre funds - relates to all income restricted to spending on equipment etc. at the various care homes.

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

Young Persons' Celebration - grants from the A Boswell CT and the Ardwick Trust to support the YP's Celebration in 2023.

Norwich Consolidated Charities - Grant for a housing support worker in Norwich.

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

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

Make a Dream - Project originally funded by the Free masons giving service users the chance to live out their dreams, funded from funds raised in the year.

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

Designated Funds

Wellbeing and Service added value fund, provides wellbeing activities to staff throughout the organisation and added value to young people in services by accessing additional activities and resources outside statutory funding.

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

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

Cambridge Trail - a fund to provide development funding for the 2023 Cambridge Sculpture Trail and from the proceeds of the trail to invest in care services in Cambridgeshire.

Standing Tall Trail – a fund for the current live trail in Cambridge, funds to be transferred to the above fund once trail complete in summer of 2024.

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

Go-Go Break (Go-Go Hares renamed) - the profits of the Go-Go Trails used to support young people leaving care and services adding value to the organisation.

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

21. Analysis of net assets between funds

	Unrestricted £000	Designated £000	Restricted £000	Total £000
Tangible fixed assets	3,862	-	-	3,862
Investments	8	-	-	8
Current assets	1,850	428	120	2,398
Current liabilities	(984)	-	-	(984)
Long-term liabilities	(163)	-	-	(163)
Total net assets	4,573	428	120	5,121

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

2022/23	Unrestricted £000	Designated £000	Restricted £000	Total £000
Tangible fixed assets	3,437	-	-	3,437
Investments	8	-	-	8
Current assets	1,948	808	115	2,871
Current liabilities	(685)	-	-	(685)
Long-term liabilities	(202)	-	-	(202)
Total net assets	4,506	808	115	5,429

22. Company status

Break is a company limited by guarantee and has no share capital. Each of the 9 (2022/23 - 13) members undertakes to contribute such amounts (not exceeding £10) as may be required in the event of a winding up.

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

	2024 £000	2023 £000
Net deficit for the year	(308)	(155)
Interest receivable	(40)	(23)
Interest payable	13	19
Profit on disposal of tangible assets	-	(4)
Depreciation	15	25
Increase in stock	(1)	-
Increase in debtors	(454)	(237)
Increase in creditors	304	104
Net cash flow from operating activities	(471)	(271)

24. Analysis of changes of net debt

	At start of year £000	Cash flows £000	Other changes £000	At end of year £000
Cash	142	104	-	246
Cash equivalents	1,496	(1,032)	-	464
Loans falling due within 1 year	(45)	5	-	(40)
Loans falling due after more than 1 year	(202)	39	-	(163)
Total net assets	1,391	(884)	-	507

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

25. Pension and other post-retirement benefits

Defined contribution plans

The Charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £431k (2022/23 £408k). At the year end £60k (2022/23 £50k) was payable to the scheme.

26. Contingent liability

On the retirement of two of the founders of Break in late 2002 and early 2003, the Charity entered into separate agreements with the retiring founders. Under the agreements, annual indexed linked payments of £3,500 were to be paid for life, with an additional 50% annual payment to the surviving spouse for their lifetime. This additional payment commenced in April 2017 upon the death of one of the retired founders. The current annual payment for the surviving spouse is £7,010 (2022/23 £7,010) per annum (as adjusted for inflationary increases). Based on standard actuarial assumptions, Break calculates the value of the future potential liability at £61k as at 31 March 2024 (2022/23 £68k).

This arrangement has been agreed by the Charity Commission.

27. Contingent Asset

Post year end a legacy payment has been received of £160,080. On the 4th January 2024 we were informed that we were a named charity in the will, but no Estate value was given. The payment was notified to us on the 9th May 2024.

28. Related party transactions

During the year the Charity received sponsorship income of £Nil (2022/23 £7,000) towards the current Trail from the Aspiration Europe Limited, owned 100% by Mrs A Ovens, who was a Trustee of Break. There is £Nil (2022/23 £Nil) due from the company as at 31 March 2024. Mrs A Ovens resigned as a Trustee on 17th July 2023.

H Walker, spouse of R Cowdry, Chief Executive Officer (and a member of key management personnel), is employed by the Charity as a Grants and Growth Co-ordinator. H Walker's appointment was made in open competition and R Cowdry was not involved in the decision-making process regarding appointment. H Walker is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the Chief Executive Officer.

29. Financial instruments

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

	2024	2023
	£000	£000
Financial assets		
<i>Equity instruments measured at cost less impairment:</i>		
Fixed asset unlisted investments	8	8
	<u>8</u>	<u>8</u>