



(Limited by Guarantee)

Company Registration Number: 09703298
Charity Registration Number: 1170310

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**



Structure, governance and management

Reference and Administrative Details

Charity Number: 1170310

Company Number: 9703298

Principal office: 209-211 City Road, London EC1V 1JN

Directors and Trustees

The Directors of the charity are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees during the year were:

Nat Sloane (Chair)

Almudena Lara (Vice Chair)

Philippa Hill (Treasurer & Chair of Finance Committee)

Katherine Gieve (Chair of Practice Committee)

Aideen Lee (Chair of Development Committee)

Paul Moffat

Ian Thomas

Khatun Sapnara (appointed on 23 Nov 2020)

Vicki Nash (appointed on 23 Nov 2020)

Nimal Jude (appointed on 23 Nov 2020)

Senior Staff

Chief Executive: Jules Hillier

Director of Business Development: Kate Tilley

Director of Communications and Influencing: Clare Laxton

Director of Practice and Learning: Ellen Marks

Professional Advisors

Solicitors

K&L Gates
One New
Change
London
EC4M 8AF

Russell-
Cooke
2 Putney Hill
London
SW15 6AB

Auditors

Moore Kingston
Smith LLP
Devonshire
House
60 Goswell Road
London EC1M
7AD

Bankers

Lloyds Bank
25 Gresham
Street
London
EC2V 7HN

Insurance Brokers

PIB Insurance
Brokers
Southgate House
Southgate Street
Gloucester GL1
1UB

Objectives and Activities

Purpose

Pause's objective, as defined in our governing document, is *"for the public benefit, to prevent and relieve the suffering and hardship of children and families in need, particularly but not exclusively in circumstances where a child is at risk of being removed from the parents' care by order of the courts due to risk of significant harm."*

To do so in particular, but not exclusively, through supporting the provision of a therapeutic relationship with a skilled practitioner providing advice, counselling and intense support to those who have experienced, or are at risk of repeatedly having, their children taken into care and by facilitating constructive relationships with those within their system including partners, family and professionals."

In practice, Pause works with women who have experienced or are at risk of having children removed from their care. We offer an intensive, trauma-informed model of support to women. Since 2013, we have reached around 2,300 women who have had over 7,100 children removed from their care.

This year, Pause launched its new five-year strategy, vision and mission. We believe that children have the right to a safe, secure and loving home and when that can't happen, they sometimes need to be removed into care. A key part of our vision for our 2020 to 2025 strategy is to make sure that women who experience or are at risk of the removal of children into care are given the best possible support, so that it never happens more than once.

In order to work towards achieving this, we will focus on four strategic priorities:

- We will **understand** more about how, why and where repeat removals happen
- We will **deliver** Practice to those who have experienced or are at risk of repeat removals
- We will **learn** with and from people affected by repeat removals
- We will **influence** systems, policy and practice to prevent it happening more than once

This report covers the 2020/21 financial year.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2021

Activities

Pause Practices

Pause delivers an intensive, relationship-based programme to women who have usually had two or more children removed from their care. This work is delivered in partnership with local authorities or third sector organisations that host Pause Practices and work within the Pause Framework. During 2020/21, the work of Pause Practices across the UK was affected by the global COVID-19 pandemic. Though Practices were able to keep connected with women, face-to-face work and group work were suspended and women were instead supported in other ways.

During 2020/21, Pause had 31 Practices across the UK. We saw the opening of eight new standalone Pause Practices in Bradford, Croydon, Durham, Northamptonshire, Oxfordshire, Somerset, Southampton, Worcestershire, as well as five Practices covering regions – two in the North East reaching six local authorities, two in the North West reaching four local authorities and one in Northern Ireland reaching three health and social care trust areas.

Sadly, we saw the closure of four Pause Practices in Bexley, Croydon, Slough and Wigan. These closures show how challenging the current funding landscape is. All these Practices could demonstrate both local need and evidence of impact, but local authorities are having to make tough decisions about which non-statutory services they can continue in the face of budget cuts and COVID-19 recovery.

The income shown in these financial statements represents only those funds that were received or receivable directly by Pause and over which Pause has financial control. Most Pause Practices will also benefit from other funding streams that do not come through Pause but are provided directly to the local delivery partner.

National support for Pause Practices

Pause provides a wide range of support for each Practice, particularly to develop excellent practice and the sharing of learning. Each Pause Practice is allocated an experienced National Practice Lead who works with the Practice to ensure their work is of high quality and meets the pledges outlined in the Pause Framework. The National Practice Leads facilitate the sharing of knowledge and experience across the Pause network, enhancing Pause's role as a learning organisation. Their role is also to ensure model fidelity and quality assurance.

Practices are supported by the Business Development team, both through the development and delivery of new Practices, and by enabling Practices to define and report the impact of their work and to secure future funding and longevity. Practices are also supported by a Communications and Influencing team, which delivers a range of external and internal communications, leads the Getting Involved participation programme, ensures Pause hears women's voices and experiences and supports them through the Next Steps work. The team also looks to influence policy and practice across the UK.

Pause Creating Space for Change Report of the Board of Trustees 31 March 2021

Achievements and Performance

Making a difference through Practice

At the end of the financial year 2020/21, Pause Practices were working with **630** women (424 women who were on the Pause programme and 206 women who were in the engagement phase). The **424** women on the programme have had a total of **1,267** children removed from their care - an average of 3 children removed per woman. During this financial year 223 women completed the programme. Amongst the women who completed the programme in 2020/21:

- The average age was 29 with a range of 17 to 46 years old.
- 36% experienced periods of care at some point in their life.
- 83% self-identified as white, 6% as black, 3% as Asian and 3% as mixed.¹

The women who work with Pause have faced many challenges in life, leading to complex trauma. They are likely to have experienced a combination of difficulties including domestic abuse, drug and alcohol use, mental ill health and insecure housing. Measuring their achievements can be subjective; the priorities are set by the women themselves and for some, simple changes will make a huge difference. Pause collects a range of data – some from women, some from Practitioners – to assist in understanding and evaluating the impact of the work.

A key tool designed to capture this is the Pause Progress tool, which identifies areas of a woman's life for her to score herself against at set intervals in the programme. For women completing the Pause Programme during 2020/21², significant progress was achieved in all areas as outlined in Figure one.

Figure one: Progress scores 2020/21



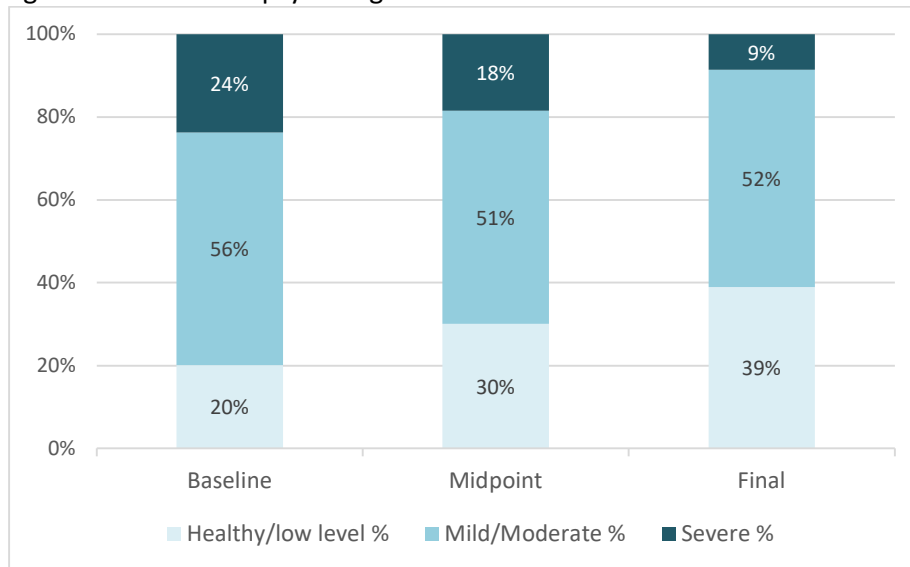
¹ 11 women (5%) did not have their ethnicity recorded.

² Aggregate scores from 220 women who completed the programme between 01/04/20 - 30/03/21 and completed Progress tools. Sample sizes vary at each measurement point, ranging from an average of 185 responses at baseline to 112 at month 18.

Pause Creating Space for Change Report of the Board of Trustees 31 March 2021

Pause also measures the psychological distress of women using standardised CORE-10 questions, a monitoring tool with items covering anxiety, depression, trauma, functioning and risk to self. Figure two below illustrates a significant reduction in severe psychological distress, from 24% of Pause women at baseline (0-3 months into the programme) to 9% at final (18 months into the programme).

Figure two: Levels of psychological distress³

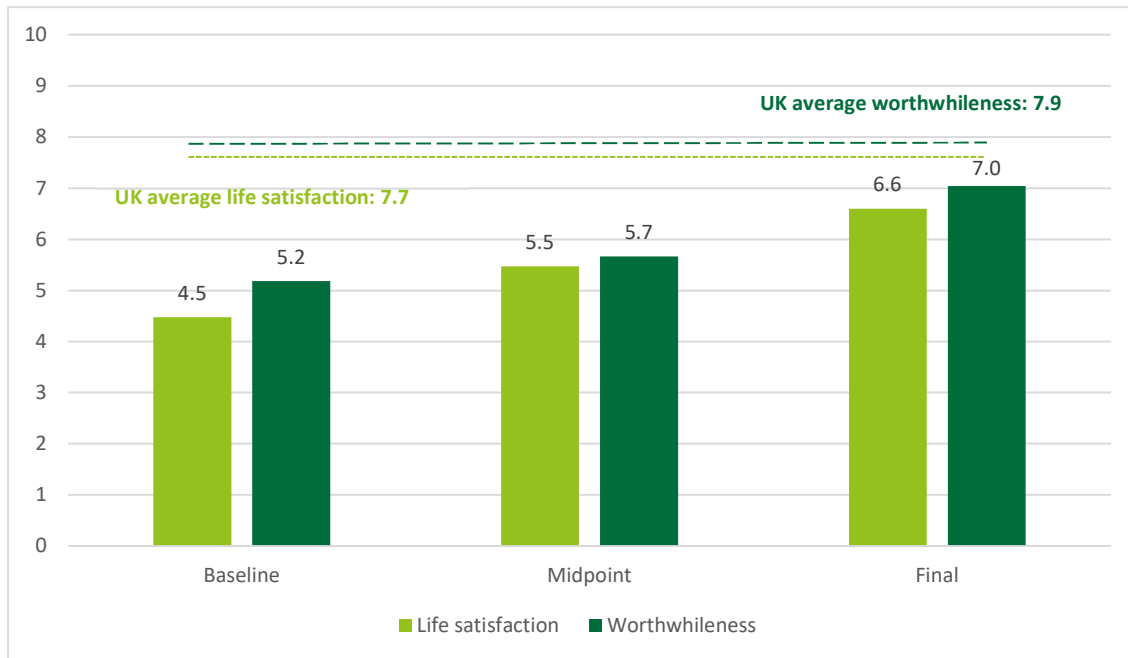


There is also a strong positive change in average life satisfaction and feeling that the things done in life are worthwhile, both of which are personal well-being questions from the Office of National Statistics and have a scale from 0-10. Women have moved significantly closer to the UK average for both measures during their time with Pause, as demonstrated in Figure three.

³ Aggregate data from 169 women who completed the programme between 01/04/20 - 30/03/21 and completed assessments. Sample sizes range from 139 at baseline to 105 at final.

Pause Creating Space for Change Report of the Board of Trustees 31 March 2021

Figure three: Measures of life satisfaction and worthwhileness



Influencing system change

At Pause, we want to make sure that women who experience or are at risk of the removal of children into care are given the best possible support so that it never happens more than once and we have a strategic commitment to influencing systems, policy and practice to this end. This is new work for Pause and during the year we started building the foundations for our influencing work by asking women we work with and Pause Practices what their influencing priorities were.

We published a report on relationships with children which was a key priority for women and Practices. We also launched Pause and Listen, a podcast from Pause, to start to raise awareness and influence change. We developed plans for influencing work next year and aim to continue our focus on relationships with children and ensure we influence the upcoming Care Review of children's social care in England.

Training and development

Pause provides a wide range of training and development for Practice teams and national staff. In 2020/2021, we held 77 online learning events for Pause Practices across the UK. Pause also held its national staff conference online in October 2020 and welcomed 168 delegates from across the Pause network. Next year, we will be implementing further professional development opportunities for Pause people, beginning with a bespoke Leadership development course to support new and emerging leaders across the network, alongside strengthening our anti-racism training plan supported by experts and members of the Black and brown community within Pause.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2021

Learning from women's experience

In 2020/21, we prioritised involving women in the work we do and moving to online involvement, which really boosted the number of women we could reach. We supported 368 women to take part in Getting Involved activities, at which they had the opportunity to influence Pause and what we do and to stay connected. These activities included:

- Setting up an advisory group of fourteen women to support the work of the Trustees and the national team.
- Attending training on confident communication to develop groupwork skills.
- Influencing changes in local practice. For example, women have met with the local post-adoption team in one area and shared ideas on what could be improved.
- Attending regular activities to stay connected and develop online skills, such as online book club and bingo sessions.
- Contributing to focus groups on Pause projects. For example, a project on contact arrangements and projects reviewing our internal policies.
- Being involved in the recruitment and induction of new members of staff.
- Contributing to external research projects.

Next steps

An additional 165 women who had successfully completed the Pause Programme signed up for a Next Steps service (called Moving Forward in Northern Ireland) in 2020/21, taking the total to 490. Over the year, 311 of them were in touch with their Practices for graduate support, mostly by telephone and text. We recruited four Next Steps Practitioners across the network to test the impact that dedicated roles could have for women and for Practices. We also recruited a Peer Support Officer to work across our London Practices, and one Peer Support Worker in a Practice. Three quarters of women told us that Next Steps had been valuable to them and that they were able to maintain improvements in their well-being and life-satisfaction after completing the Programme.

This year, we have built on the work we did last year reviewing our Next Steps offer to women as they move on from the Pause Programme. We now know that 73% of women access some form of Next Steps support once they have graduated from Pause. We have also co-designed with women three peer support pilots and one Peer Support worker is in post in a Pause Practice. Next year, we hope to put more Next Steps Practitioners in post across the Pause network and to expand our Next Steps offer to include more peer support training for women.

A healthy, happy national team

This year, due to COVID-19, the Pause national team mostly worked from home. It was important during this difficult time to model the work we do with women, for each other. This meant keeping each other in mind, being compassionate with one another and ourselves, and focusing on individual well-being and relationships.

We supported colleagues to purchase equipment that would make home-working more comfortable and effective, and we enabled everyone to keep in touch with one another

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2021

through group “huddles” at lunchtime, encouraging people to send things to each other at home and offering weekly Zoom quizzes and yoga sessions. Small budgets were allocated to sending teams treats or small gifts to ensure they knew that even when not working together face-to-face, they were kept in mind.

We encouraged people to use the Flexible Working policy to ensure that their work fitted around their new home life and supported their mental health. We engaged more external support, including clinical supervision. The Pause Trustees offered a monthly Rest and Recharge Day, during which no one was expected to work and everyone was expected to take time for themselves. When we were able to, we re-opened the office with clear protocols to allow those who wished to work there to do so safely. Our staff survey this year showed that the national team appreciated and welcomed the support we offered during COVID-19.

This year we also trialled a new method of recruitment, to reduce unconscious bias, and started an Anti-Racism group and peer support network for people from Black and brown communities.

Plans for future periods

Following a year of major growth for Pause and the challenges we are seeing in Local Authorities having to respond financially to the impact of Covid 19, 2021/22 will see a focus on preserving Pause’s existing footprint and making sure funding for services is secure. This focus on Practice sustainability will include investment in establishing the evidence base to demonstrate the personal, social and financial impact of the Pause programme. Following a strong start in 2020/21, Pause will continue to build its capacity and capability to influence practice, policy and systems at both local and national level. Drawing on the experiences of women on the Pause programme and insight from Practitioners, Pause will identify those areas in which we believe we can make the greatest difference in pursuing our ambition of removals never happening more than once.

We will build on the growth of our Getting Involved programme and increase opportunities for women to influence our structures and work. We will particularly focus on how women can take part in peer engagement and build this work and consider how we can better involve women in the governance of Pause and with our trustee board. We will draw on the lessons from our review of the Next Steps programme to consider how best to support women who have completed the core Pause programme.

Following recruitment of a team and two Practices going live in 2020/2021 Pause will deliver services directly in the Liverpool City Region and will learn from our experience of this work to consider future opportunities for the employment of frontline teams. We will continue to aim to be an excellent employer, determined to ensure a happy, healthy workplace despite the challenges of the pandemic.

Financial Review

Financial position

During the period, Pause received income of £4,176,850, of which £3,685,375 was from the Department for Education Innovation Fund. Pause incurred £4,983,328 of expenditure of which £2,962,843 relates to the Department of Education Innovation Fund (a further £722,532 of expenditure was carried forward from the DfE grant into 2021/22 specifically relating to the Liverpool City Region) and £649,959 of expenditure relating to the National Lottery Community Fund to enable Pause to expand into Scotland and Northern Ireland, develop our Getting Involved work, develop our Next Steps offer, and evaluate these three strands of work.

Risks and uncertainties

Pause has a risk register which is reviewed by the Trustees on a regular basis. The Risk Register has four sections: Financial, Operational, External and Governance. The Risk and Finance Committee has oversight of all strategic organisational risk and reviews the full Risk Register at every meeting. The board of trustees is given a report on current issues affecting the risk register at each meeting.

During the period of reporting, the key risks considered by the Trustees related to:

- A slowing of growth due to increased financial pressures in local areas and a longer approval process for Practices to open. The long-term impact of COVID-19 should be considered in this context, due to the increasing pressures it may put on local areas.
- The impact of a reduction in income. Pause has an income generation strategy and sustainability plan for Practices and will focus on securing income from a range of funders in the coming years.
- The impact of Practices failing to achieve funding to sustain. Much of the support of the national team is focused around securing this for Practices, particularly through the demonstration of cost benefit at a local level.
- Safeguarding risk. Each Pause Practice is employed by the local delivery host and follows their localised safeguarding policy. Pause has a clear overarching safeguarding and critical incident notification process. We monitor any critical incidents that take place in Pause Practices and report quarterly on these to the Practice Committee. This will change in 2021/22 when Pause began delivering services directly and our own safeguarding policy will be followed.

Although the Pause financial position is stable for at least the next 12 months, it is important to understand the longer-term financial risk faced by Pause if local areas are no longer in a position to support Pause Practices. The Trustees and Risk and Finance Committee regularly review this risk and keep a focus on income generation and projected cash flows.

It continues to be vital to monitor Practices and collect data that will provide assurance of quality and fidelity to the model. As Pause grows and as local areas understand more about Practice, some may want to deliver more in-house. If this happens, there is a risk that in

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2021

some places the model could be diluted and less effective. Pause works with local authorities to spread learning, support wider changes to the way they work with vulnerable groups and improve their understanding of the group of women with whom Pause works in order to mitigate this.

Reserves policy

The purpose of the General Fund Policy for Pause (the Reserves policy) is to ensure the stability of the mission, programmes, employment and ongoing operations of the organisation.

The General Fund (the Reserves) is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding or uninsured losses. The Reserves may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Pause for Reserves to be used and replenished within a reasonably short period of time.

The target minimum Reserve during the year was the equivalent of three months of operating costs. In 2021/22, this equated to £609,106, a figure which includes £225,785 of costs currently covered by restricted funds. In May 2021 the board reviewed the reserves policy and agreed to add an additional amount that incorporated any contracts and ongoing costs. It was agreed as a result that it would be prudent to include an additional £200,000 for these purposes, making a minimum reserve of £800,000 for 2021/2022.

The level of free reserves as at the 31 March 2021 of £1,323,667 exceeded the minimum reserve target. In May 2021, the trustees met to discuss whether some of the reserve should be delegated to support work to develop new services and support the sustainability of Practice. To this end, the Trustees designated just over £600,000 of funds for use over the next three years to projects in these areas.

Structure, Governance and Management

Structure

Pause is a company limited by guarantee and a registered charity governed by a memorandum and articles of association. The usual service model is that through formal arrangements with delivery partners, often local authorities but also sometimes other voluntary sector bodies, Pause delivers Pause Practices. Delivery partners must sign a Practice Agreement committing them to working within the Pause Framework. Pause employs a national team, led by the Chief Executive who reports to the Board of Trustees.

In 2020/21, Pause undertook the direct delivery of two Practices in the Liverpool City Region. This is the first time Pause has employed Practice teams directly, rather than through a delivery partner. To support this development, we have developed a specific governance structure to focus on the direct delivery of services.

Governance

Nat Sloane has been Chair of Pause since February 2019. The Board meets at least four times per year. The Board has three committees which focus on key aspects of performance and make recommendations to the main board. These are the Practice Committee, the Risk and Finance Committee and the Development Committee. These committees are each chaired by a Trustee and also meet at least four times each year. A sub-committee of the Practice Committee has been set up to attend to the governance of those Practices directly delivered by Pause.

Trustees carry out a skills audit on an annual basis and use the results to identify key gaps. Once this is done, if necessary, a search is undertaken for appropriate Trustees to fill any gaps. The Board appoints Trustees directly.

New Trustees undertake a tailored induction programme intended to give them an understanding of the role of Trustee, the work of the organisation and any particular information appropriate for their specific role. Throughout the year, when possible, Trustees are given opportunities to visit Practices and meet with staff and beneficiaries outside the usual governance calendar.

Management

The Board of Trustees delegates operational management of the charity to the Chief Executive with a scheme of delegation outlined in the governance policies. The Pause Leadership Team consists of the Chief Executive, the Director of Practice and Learning, the Director of Business Development and the Director of Communications and Influencing and each leads a team of staff.

Pay is set for Pause staff through a process of benchmarking against other organisations and within the organisation. The Board considers staff pay on an annual basis.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Pause Creating Space for Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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 business.

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

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The 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. This report has been prepared in accordance with the special provisions of Section 381 of the Companies Act 2006 relating to small companies.

Moore Kingston Smith LLP were appointed auditor in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed will be put at a General Meeting.



By order of the Board of Trustees
N Sloane (Chair)
22 November 2021

Independent Auditor's Report to the Members of Pause Creating Space for Change

Opinion

We have audited the financial statements of Pause Creating Space for Change ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 2021 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for

Independent Auditor's Report to the Members of Pause Creating Space for Change

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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Independent Auditor's Report to the Members of Pause Creating Space for Change

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Members of Pause Creating Space for Change

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

Independent Auditor's Report to the Members of Pause Creating Space for Change

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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



22 November 2021

Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Pause Creating Space for Change
Statement of Financial Activities
(Incorporating the income and expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds For the year Ended March 2021	Total Funds for the year Ended March 2020
		£	£	£	£
Income from:					
Grants/Donations	2	12,172	4,164,678	4,176,850	2,467,344
Charitable activities:		634,999	-	634,999	625,635
Total Income		647,171	4,164,678	4,811,849	3,092,979
Expenditure on:					
Raising Funds		-	-	-	-
Charitable Activities	3	760,975	4,222,353	4,983,328	2,235,071
Total Expenditure		760,975	4,222,353	4,983,328	2,235,071
Net Income/Expenditure		(113,804)	(57,675)	(171,479)	857,908
Transfers between funds		-	-	-	-
Total funds brought forward		<u>1,437,471</u>	<u>960,814</u>	<u>2,398,285</u>	<u>1,540,377</u>
Total Funds Carried Forward		<u>1,323,667</u>	<u>903,139</u>	<u>2,226,806</u>	<u>2,398,285</u>

Pause Creating Space for Change Balance Sheet 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Current assets			
Debtors:	7	1,176,128	330,062
Cash at bank and in hand		1,675,669	2,105,916
		<hr/> 2,851,797	<hr/> 2,435,978
Creditors	8	624,991	37,693
Net Current Assets		<hr/> 2,226,806	<hr/> 2,398,285
Net assets		<hr/> 2,226,806	<hr/> 2,398,285
Capital and Reserves			
Restricted funds	9	903,139	960,814
General funds		1,323,667	1,437,471
Total funds carried forward		<hr/> 2,226,806	<hr/> 2,398,285

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



N Sloane (Chair)
22 November 2021

Pause Creating Space for Change Cash Flow as at 31 March 2021

Statement of cash flows to 31 March 2021

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Cash Flows from operating activities		
<i>Net cash provided by (used in) operating activities</i>	(430,247)	888,471
 <i>Change in cash in the reporting period</i>	 (430,247)	 888,471
Cash at the beginning of the reporting period	2,105,916	1,217,445
Cash at the end of the reporting period	1,675,669	2,105,916
 Net income/(expenditure) for the reporting period (as per the statement of financial activities)	 (171,479)	 857,908
Adjustments For:		
(Increase)/decrease in debtors	(846,066)	104,400
Increase/(decrease in creditors)	587,298	(73,837)
 Net cash provided by operating activities	 (430,247)	 888,471
 Cash and cash equivalents at the beginning of the year	 2,105,916	 1,217,445
 Cash and cash equivalents at the end of the year	 1,675,669	 2,105,916
 Cash and cash equivalents consists of:		
Cash at bank and in hand	1,675,699	2,105,916

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

1. Accounting Policies

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the 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 (FRS 102) (effective 1 January 2015). The Charity is a public benefit entity as defined by FRS 102.

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. All incoming and outgoing resources are dealt with on the accruals basis, unless otherwise stated below. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Income

Voluntary income, including grants, is recognised in the period in which the charitable company is entitled to receipt, there is a probability of receipt and the amount can be measured reliably.

Income from charitable activities is recognised as earned.

Going Concern Basis

The Trustees have assessed whether the use of the going concern basis is appropriate and have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties.

The trustees are confident that future funding streams will continue to provide funding for the charity in 2022-23, however at the date of approval of these financial statements these have not been confirmed in writing.

Accounting estimates and areas of judgement

The Trustees have considered the accounting policies adopted and no judgements were required that have a significant effect on the amounts recognised in the financial statements.

Expenditure Allocation

The directors have allocated staff costs on the basis of the amount of time spent by each member of staff in each area of activity of the charity.

Governance Costs

Governance costs relate to the direct costs associated with the constitutional and statutory requirements of the charitable company and include the costs of external audit, secretariat and other constitutional related costs.

Pension Scheme Arrangements

This scheme is with the People's Pension and Pause contributes six percent employer contributions to all staff.

Funds

Unrestricted Funds – These are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Pause Creating Space for Change
Notes to the accounts for the year ended 31 March 2021

Restricted Funds – These are funds which are to be used for specific purposes, as laid down by the donor.

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

Judgements and Estimates

In application of the Charity's accounting policies, the board is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and assumptions which are believed to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the current or prior period.

Financial Instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at settlement value. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Direct costs

These relate to costs directly supporting projects.

Allocation of Support Costs

Support costs are those costs which do not relate to a single activity. This includes salary costs. Support costs have been apportioned between National team costs and Practice costs on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 3.

Cash and Cash Equivalents

Cash and cash equivalents include: cash at bank and in hand and short-term deposits with a maturity date of three months or less.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised as an expense when demonstrably committed to terminate the employment of an employee or to provide termination benefit.

Pause Creating Space for Change
Notes to the accounts for the year ended 31 March 2021

2. Voluntary income

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Donations	491,475	569,116
Department for Education	3,685,375	1,295,655
Gifts In Kind (Hackney Learning Trust Desk Space)	-	9,506
The National Lottery Community Fund	-	593,067
	<hr/> 4,176,850	<hr/> 2,467,344
Unrestricted Income (included in Donations above)	12,172	34,450
Restricted Income (see Note 9)	4,164,678	2,432,894
	<hr/> 4,176,850	<hr/> 2,467,344

There are no un-fulfilled conditions attached to any of the government grant funding included above.

3. Charitable Activities

	Direct Costs	Support Costs	Year ended 31 March 2021	Year ended 31 March 2020
	£	£	£	£
National team	649,217	778,620	1,427,837	1,309,711
Grants to Pause Practices	3,082,728	462,384	3,545,112	911,096
Governance Costs:				
Auditors Fees	9,102	-	9,102	10,428
Trustee Expenses	-	-	-	2,589
Professional Indemnity Insurance	1,277	-	1,277	1,247
	<hr/> 3,742,324	<hr/> 1,241,004	<hr/> 4,983,328	<hr/> 2,235,071
Unrestricted Expenditure	274,553	486,422	760,975	35,994
Restricted Expenditure(see Note 9)	3,467,771	754,582	4,222,353	2,199,077
	<hr/> 3,742,324	<hr/> 1,241,004	<hr/> 4,983,328	<hr/> 2,235,071

Trustee travel expenditure

No Trustees were reimbursed for travel expenses during the year. (2020: Six Trustees at a cost of £2,589)

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

4. Support Costs (allocated as per staff time)

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Salary Costs	1,241,004	1,149,485
	<hr/> 1,241,004	<hr/> 1,149,485

5. Staff Costs

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Salaries	1,058,747	981,036
Social Security	118,732	109,661
Pensions	63,525	58,788
Temporary Staff	-	-
Recruitment Costs	33,413	1,061
	<hr/> 1,274,417	<hr/> 1,150,546

Remuneration over £60,000 during 2020/21

Three employees : £60,000-£69,999. (2020: three)

One employee: £80,000-£89,999. (2020: one)

Pension Costs for employee: £5,204 (2020: £5,127)

6. Staff Numbers

The average monthly head count was 22 staff (2020: 22 staff)

	2021 No.	2020 No:
Executive	4	4
Practice & Learning	10	10
Communications	2	2
Business Development	<hr/> 7	<hr/> 6
	23	22

Key management personnel

In identifying 'key management personnel', Pause recognises a large number of roles that contribute to the successful development of a new and changing organisation. Quality of practice and fidelity to the Pause model are essential aspects of the Pause Programme and we have included roles that have the most regular and closest contact with Pause Practices in calculating the cost of Key Management Personnel. Roles included in this period are:

- Chief Executive
- Director of Practice and Learning
- Director of Communications
- Director of Business Development

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

- Practice Development Lead for The Nations
- Programme Manager
- National Scoping Lead
- National Practice Leads x4 (2020 x4)

The total key management personnel remuneration including during the year is £731,781. (2020: £698,323)

7. Debtors

	As at 31 March 2021	As at 31 March 2020
	£	£
Trade Debtors	265,125	189,000
Accrued Income	872,667	132,894
Deferred Expenditure	38,336	-
Season Ticket Loan	-	8,168
	1,176,128	330,062

8. Creditors

	As at 31 March 2021	As at 31 March 2020
	£	£
Trade Creditors	416,174	8,654
Accruals	69,790	20,914
Taxation and Social Security Payable	3,375	8,125
Salaries	80,844	-
HMRC	43,054	-
Pensions	11,754	-
	624,991	37,693

Trade Creditors are made up of the following:

Barnardos	£100,000
Somerset County Council	£200,000
Newcastle City Council	£ 70,000
Chesford Grange	£ 29,944
Various	£ 16,230

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

9. Restricted Funds

	Opening Balance as at 1 April 2020	Incoming Resources	Outgoing Resources	Balance as at 31 March 2021
	£	£	£	£
Department for Education Children's Social Care Innovation Programme	-	3,685,375	2,962,843	722,532
The National Lottery Community Fund	649,959	-	649,959	-
Comic Relief	54,790	35,000	10,991	78,799
The Emmanuel Kaye Foundation	-	30,000	30,000	-
The Andrew and Belinda Scott Charitable Trust	100,000	-	100,000	-
Esmée Fairbairn Foundation	52,309	164,303	177,940	38,672
The Robertson Trust	3,756	225,000	220,620	8,136
CHK Foundation	100,000	25,000	70,000	55,000
	960,814	4,164,678	4,222,353	903,139

Description of funds

Department for Education Children's Social Care Innovation Programme

Funding to further increase Pause's scale and spread nationally, including the set-up of new Pause Practices and testing new ways of working.

The National Lottery Community Fund

Three-year grant to enable Pause to expand into the home nations, embed user voice (now called Getting Involved), develop a 'Post Pause' offer (now called Next Steps), and evaluate these three strands of work.

Comic Relief

Funding for the Sharing Voices project which will advance Pause's use of creative tools to support vulnerable women caught in a cycle of repeat removals of children.

The Emmanuel Kaye Foundation

Contribution to Core Costs with a specific focus on the Pause People conference.

The Andrew and Belinda Scott Charitable Trust

Contribution towards Pause Somerset.

Esmée Fairbairn Foundation

Three-year grant to fund development of the 'Next Steps' programme and to ensure that women's experiences influence changes in policy and practice.

The Robertson Trust

Two-year grant to fund delivery of a Pause practice in Dundee, plus a grant to fund scoping in Aberdeen.

Pause Creating Space for Change

Notes to the accounts for the year ended 31 March 2021

CHK Foundation

Grant to fund set-up (including scoping exercises in five local areas) and first year delivery costs of a Pause practice in the North East.

10. Taxation

The company is a registered charity and does not undertake non-charitable activities and is entitled to tax exemption by the HM Revenue and Customs.

9. Capital

Pause Creating Space for Change is a company limited by guarantee. In the event of a winding up of the charitable company the Members' individual liability is restricted to an amount not exceeding £10.

10. Related Party Transactions

There were no related party transactions during this period.

11. Financial Instruments

	2021 £	2020 £
Financial assets measured at amortised cost	1,176,128	330,062
Financial liabilities measured at amortised cost	(624,991)	(37,693)

12. Net Assets between Funds

	General Fund	Restricted Funds	Total 2021
Current Assets	1,616,594	1,235,203	2,851,797
Current Liabilities	(292,927)	(332,064)	(624,991)
	<u>1,323,667</u>	<u>903,139</u>	<u>2,226,806</u>
	General Fund	Restricted Funds	Total 2020
Current Assets	1,475,164	960,814	2,435,978
Current Liabilities	(37,693)	-	(37,693)
	<u>1,437,471</u>	<u>960,814</u>	<u>2,398,285</u>