



Company Registration Number: 09703298
Charity Registration Number: 1170310

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**



Pause Creating Space for Change Report of the Board of Trustees 31 March 2022

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)

Vicki Nash (Vice Chair)

Philippa Hill (Treasurer & Chair of Risk and Finance Committee)

Katherine Gieve (Chair of Practice Committee)

Aideen Lee (Chair of Development Committee)

Ian Thomas

Khatun Sapnara

Nimal Jude

Helen Causley (appointed February 2022)

Peter Gilheany (appointed February 2022)

Lara Patel (appointed February 2022)

Paul Moffat (resigned May 2021)

Almudena Lara (resigned March 2022)

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 9AF

Russell-
Cooke
2 Putney Hill
London
SW15 6AB

Auditors

Moore Kingston
Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers

Lloyds Bank
25 Gresham
Street
London
EC2V 7HN

Insurance Brokers

PIB Insurance
Brokers
Southgate House
Southgate Street
Gloucester GL1
1UB

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

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 nearly 4,000 women who have had over 10,500 children removed from their care.

This year, Pause continued to work towards its vision and mission. A key part of our vision and mission 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 have focused 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 2021/2022 financial year.

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 2021/2022 Pause Practices continued to be impacted by the COVID-19 pandemic and coming out of lockdown. They continued to deliver tailored, one-to-one support for women across the UK.

During 2021/2022, Pause had 29 Practices across the UK. We saw the opening of a new Pause Practice reaching North Somerset and South Gloucestershire, which is linked to the

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

Practice in Bristol. Pause Islington expanded to reach Camden. By the end of 2021/2022, Pause Practices were reaching 39 local authority areas.

Sadly, we saw the closure of two Pause Practices in Nottingham and Newham. Pause West Sussex also closed temporarily but will reopen in 2022/23. 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.

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 to be involved in decision making and influencing. 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 2022

Achievements and Performance

Making a difference through Practice

At the end of the financial year 2021/2022, Pause Practices were working with **757** women (558 women who were on the Pause programme and 199 women who were in the engagement phase). The **558** women on the programme have had a total of **1,766** children removed from their care - an average of 3.2 children removed per woman. During this financial year 191 women completed the programme. Amongst the women who completed the programme in:

- The average age was 30 with a range of 18 to 44 years old.
- 43% 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.

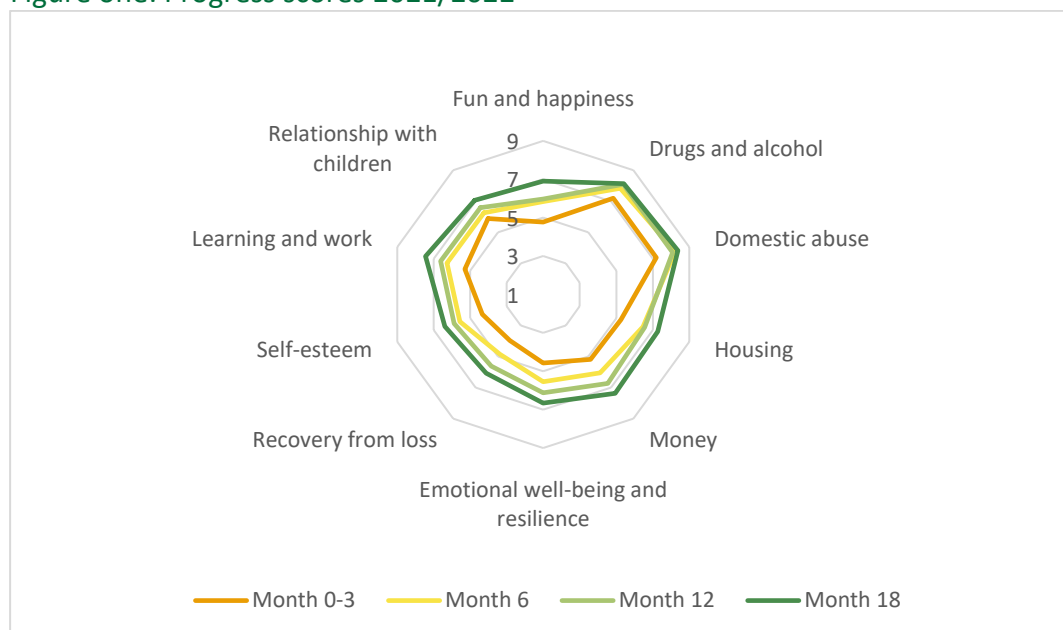
A key tool designed to capture this is the Pause Progress tool, which identifies areas of a woman's life for her to score herself against at set intervals in the programme. For women completing the Pause Programme during 2021/2022², significant progress was achieved in all areas as outlined in Figure One overleaf.

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

² Aggregate scores from 220 women who completed the programme between 01/04/21 - 30/03/22 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.

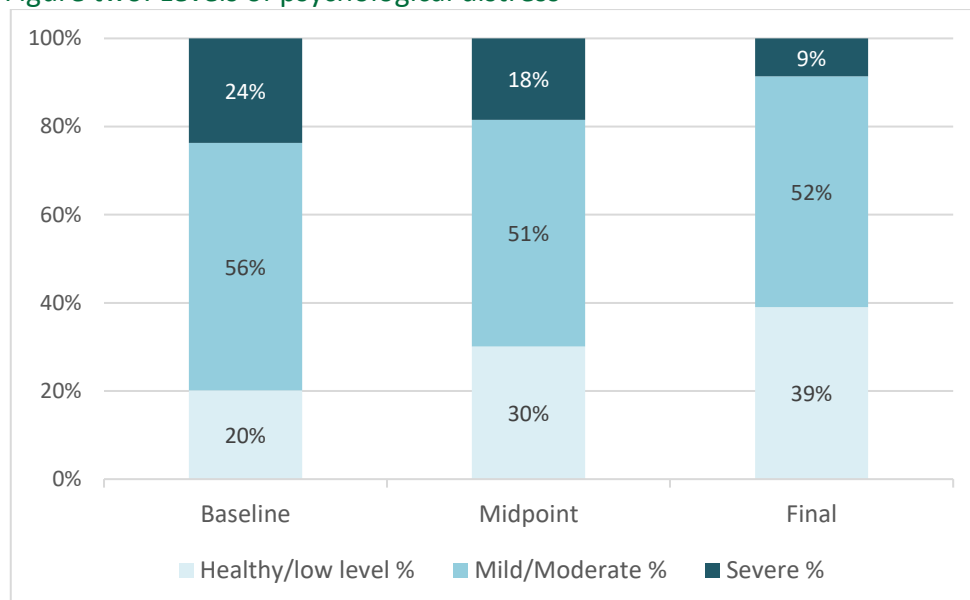
Pause Creating Space for Change Report of the Board of Trustees 31 March 2022

Figure one: Progress scores 2021/2022



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



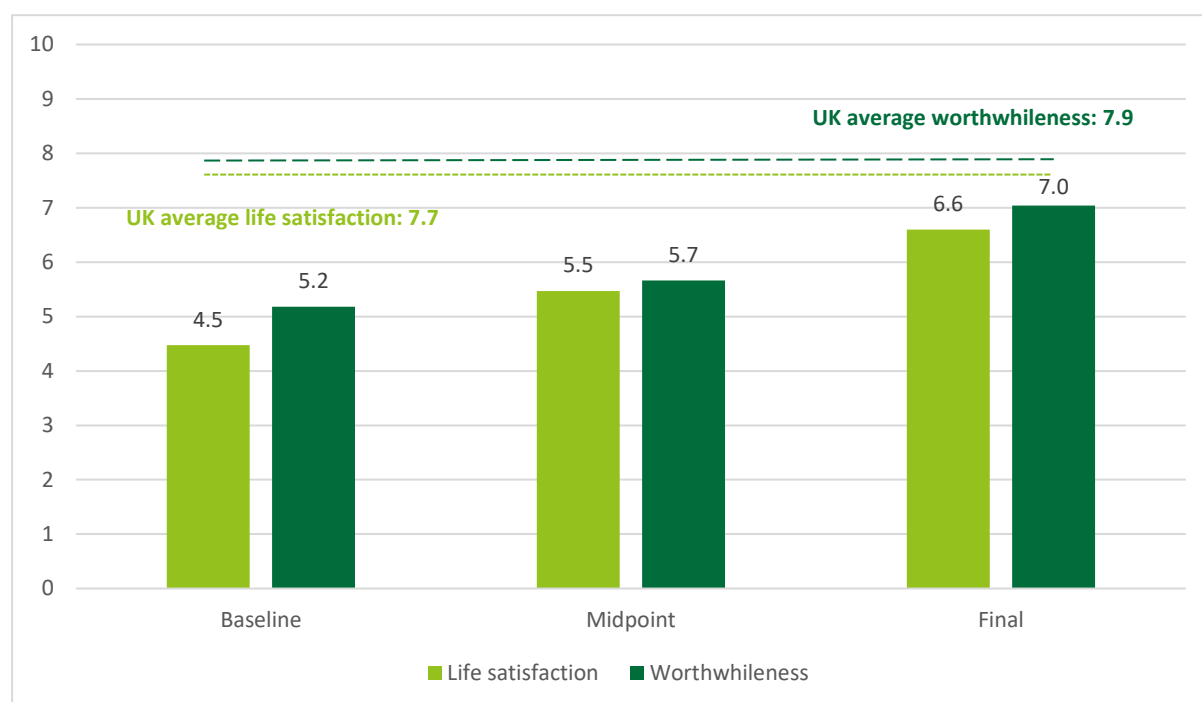
³ Aggregate data from 169 women who completed the programme between 01/04/21 - 30/03/22 and completed assessments. Sample sizes range from 139 at baseline to 105 at final.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

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.

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. During 2021/2022 we continued to work on our influencing priorities - relationships with children and mental health – which we know are areas women working with Pause tell us are important to them and they want to see change in.

This year we launched our first public campaign #TimeToDeliver, calling for change to the letterbox contact system including reviews of contact and exploring digital alternatives. Through the campaign over 230 emails and around 120 #TimeToDeliver Postcards have been sent to over 140 MPs. 20 MP responses have been shared with us of support for the #TimeToDeliver recommendation, six Parliamentary Questions were raised to the Department for Education about letterbox contact. From the responses we have received we know there is a genuine commitment to change and expect to see system change in the letterbox contact system in the near future. We have also worked in partnership with other organisations and individuals on the issue as it is such a clear challenge for many families and children.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

In 2021/2022, we engaged with and influenced England's Independent review of Children's Social Care by taking every opportunity to share the experiences of women working with Pause and our view of how the review could ensure the care system provides the right foundation for women who experience or are at risk of, the removal of children into care. We developed Pause's key messages and recommendations for change alongside five Pause women, representatives from Pause Practices and the Pause national team with fifteen attendees in an online focus group. We also supported women to speak directly to the Care Review team.

Training and development

Pause provides a wide range of training and development for Practice teams and national staff. In 2021/2022, we held 84 online learning events for Pause Practices across the UK along with 1 face to face event and our annual national conference which was a hybrid event with both face to face and remote delegates. We had 127 attendees at the conference venue and a further 48 who attended remotely. We have completed a bespoke Leadership development programme as part of our professional development work, for both existing and aspiring leaders, with 18 participants in total. We will be offering the opportunity to the network again later this year, adapting what we have learned from the pilot programme. We continue to strengthen our anti-racism training plan supported by experts and members of the Black and brown community within Pause and linking to the wider diversity and identity agenda, which is the key theme at this year's face to face conference. We are also developing our external training offer this year to support partner organisations, strengthening our sustainability and influencing across the sector.

Learning from women's experience

In 2021/2022, we consolidated our learning about involving women, published our first impact report, and identified priority areas to strengthen women's involvement over the next year. We supported 91 women to take part in 55 Getting Involved activities. Highlights from 2021/2022 included:

- Involving women in our first ever national campaign.
- The Pause Advisory Group meeting monthly, continuing to build their skills and to influence decision-making at Pause.
- Involving women in Pause's anti-racism work.
- Taking part in the Independent Review of Children's Social Care (the Care Review).
- Involving women in a range of projects about mental health, expert witness reports and external research.

Through our impact report we have identified strategic areas to strengthen women's involvement over the next year, including:

- Monitoring the type of involvement that is happening at Pause.
- Creating more opportunities for co-production and greater power-sharing.
- Strengthening women's role in governance.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

- Understanding the experiences of women from Black and Brown communities⁴.
- Demonstrating the impact of involvement to women.

A healthy, happy team

This year saw us working out how to allow people back to the office at their own pace, and how to support people to continue to work at home. We wanted to ensure that people weren't isolated, and were encouraged to interact, but we were also determined to respect individual needs and level of comfort around the ongoing risks of COVID-19.

We have upgraded how we use our main office space – creating spaces for interaction and collaboration, as well as space to work. Every member of our team continues to work from home some of the time, but many are now choosing to return to the office space for meetings and to break up their week.

Early in the year, we brought 14 new colleagues into Practices in the Liverpool City Region. It was a challenge to ensure that the new teams felt welcome and integrated, despite initially working remotely. We also needed to create and update policy which would support their work on the front line.

We continued our monthly Rest and Recharge Days, during which no one is expected to work, and everyone is encouraged to take time for themselves, and we started an annual Wellbeing Fund, which offers every member of the team £100 to spend on something that improves their wellbeing. This has been used for National Trust membership, yoga, book club subscriptions and cookery classes.

Anti-racism work

Working towards Pause being an anti-racist organisation remained a key priority this year. We employed two external consultants to work with the Pause network in delivering anti-racism training and working with women to hear about their experiences of racism. Next year we will be reviewing the work we have done on anti-racism and updating our action plan.

Plans for future periods

This year saw a strong focus on preserving Pause's existing footprint and making sure funding for services is secure and this focus will continue into next year. We will also start looking at service developments such as working with care leavers to ensure we are reaching the right people with our support.

Since the year end we continued our influencing focus on relationships with children and mental health, looking forward to the publication of the Care Review report and will be publishing a new report into expert witness assessments during care proceedings. We will

⁴ We use the term 'people from Black and Brown communities' as it is the form of words that the antiracism group at Pause, which includes people from those communities, has agreed on.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

continue to draw on experience and insight from women and Pause Practices and work collaboratively to create system change.

We will continue to aim to be an excellent employer, determined to ensure a happy, healthy workplace which challenges racism and is working towards being an anti-racist organisation. We are also considering our environmental footprint and ways of reducing our impact on the planet.

Next year will also be the mid-point in our current five-year strategy. We will review our progress towards our key goals and work with women, Practices, staff, Trustees and other stakeholders to consider what the longer-term future might look like if we are to succeed in our mission.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

Financial Review

Financial position

During the year, Pause received income of £1,476,618 of which £746,000 was from traded income and £513,462 from trusts and grants. Pause incurred £2,536,255 expenditure in the year, of which £852,256 relates to delivery in the Liverpool City Region, which was funded mainly by restricted reserves of £840,003 brought forward from 20/21. This resulted in a planned deficit of £177,421 which included investment from reserves in a range of projects including influencing and campaigns work and evaluation (see below: Reserves policy). At the end of the 2021/2022 year Pause carried forward £19,857 in restricted reserves and £1,146,246 in unrestricted reserves.

Reserves policy

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

At the end of the financial year 20/21 Pause was holding significant financial reserves. We were in this position because of a decision that was made when Pause was set up to build a bank of reserves to smooth the transition from reliance on a single grant to a position where we have a more diverse income base. We have moved to a position where we are no longer solely reliant in a single source of funding and as a result of this Trustees agreed to invest a ringfenced amount back into delivery. Trustees have designated just over £600,000 of funds for use across three years to specific projects across key areas of development.

Pause's reserves policy requires maintaining the equivalent of three months of operating costs. In 2021/2022, 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 for which Pause would be liable should Pause cease. It was agreed that it would be prudent to include an additional £200,000 for these purposes, making a minimum reserve of £800,000 for 2021/2022.

Risks and uncertainties

Pause maintains a risk register which is updated by the Leadership Team and 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 risk issues affecting the organisation at each meeting.

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

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

- 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. We have put in place additional safeguarding measures this year as we began delivering services directly and regularly check that our own safeguarding policy is being 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 some places adopt a model that is 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.

Pause Creating Space for Change

Report of the Board of Trustees 31 March 2022

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 and also delivers a regional model of a Pause Practice in the Liverpool City Region.

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.

Every quarter, two Trustees work with members of staff to review a different principle of the Charity Governance Code and produce a report for the board. These reports are discussed, and a rolling action plan developed to ensure ongoing improvement and continuous review.

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 at least an annual basis.

Pause Creating Space for Change Report of the Board of Trustees 31 March 2022

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)

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

Opinion

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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2022 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 the other information. 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 14, 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.

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

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.

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.

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

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.
- 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.

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.

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

- 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.
- 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.

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.

Date: 14 December 2022



Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC1A 2AP

Pause Creating Space for Change
Statement of Financial Activities
(Incorporating the income and expenditure account)
for the year ended 31 March 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds For the year Ended March 2022	Total Funds for the year Ended March 2021
		£	£	£	£
Income from:					
Grants/Donations	2	266,421	444,697	711,118	4,176,850
Charitable activities:		765,500	-	765,500	634,999
Total Income		1,031,921	444,697	1,476,618	4,811,849
Expenditure on:					
Raising Funds		-	-	-	-
Charitable Activities	3	1,209,342	1,327,979	2,537,321	4,983,328
Total Expenditure		1,209,342	1,327,979	2,537,321	4,983,328
Net Income/Expenditure		(177,421)	(883,282)	(1,060,703)	(171,479)
Transfers between funds		-	-	-	-
Total funds brought forward		<u>1,323,667</u>	<u>903,139</u>	<u>2,226,806</u>	<u>2,398,285</u>
Total Funds Carried Forward		<u>1,146,246</u>	<u>19,857</u>	<u>1,166,103</u>	<u>2,226,806</u>

Pause Creating Space for Change Balance Sheet 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Current assets			
Debtors:	7	199,262	1,176,128
Cash at bank and in hand		1,053,741	1,675,669
		<hr/> 1,253,003	<hr/> 2,851,797
Creditors	8	86,900	624,991
Net Current Assets		<hr/> 1,166,103	<hr/> 2,226,806
Net assets		<hr/> 1,166,103	<hr/> 2,226,806
Capital and Reserves			
Restricted funds	9	19,857	903,139
General funds		1,146,246	1,323,667
Total funds carried forward		<hr/> 1,166,103	<hr/> 2,226,806

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)

30 November 2022

Pause Creating Space for Change Cash Flow 31 March 2022

Statement of cash flows to 31 March 2022

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Cash Flows from operating activities		
<i>Net cash provided by (used in) operating activities</i>	(621,928)	(430,247)
 <i>Change in cash in the reporting period</i>	 44,263	 (430,247)
Cash at the beginning of the reporting period	1,675,669	2,105,916
Cash at the end of the reporting period	1,053,741	1,675,669
 Net income/(expenditure) for the reporting period (as per the statement of financial activities)	 (1,060,703)	 (171,479)
Adjustments For:		
(Increase)/decrease in debtors	976,866	(846,066)
Increase/(decrease in creditors)	(538,091)	587,298
 Net cash provided by operating activities	 (621,928)	 (430,247)
 Cash and cash equivalents at the beginning of the year	 1,675,669	 2,105,916
 Cash and cash equivalents at the end of the year	 1,053,741	 1,675,669
 Cash and cash equivalents consists of:		
Cash at bank and in hand	1,053,741	1,675,699

Pause Creating Space for Change

Cash Flow 31 March 2022

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.

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.

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

Pause Creating Space for Change

Cash Flow 31 March 2022

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 Cash Flow 31 March 2022

2. Voluntary income

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Donations	711,118	491,475
Department for Education	-	3,685,375
	<hr/> 711,118	<hr/> 4,176,850
Unrestricted Income (included in Donations above)	266,421	12,172
Restricted Income (see Note 9)	444,697	4,164,678
	<hr/> 711,118	<hr/> 4,176,850

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 2022	Year ended 31 March 2021
	£	£	£	£
National team	502,395	860,899	1,363,294	1,427,837
Grants to Pause Practices ⁵	146,136	1,011,988	1,158,124	3,545,112
Governance Costs:				
Auditors Fees	12,280	-	12,280	9,102
Trustee Expenses	1,421	-	1,421	-
Professional Indemnity Insurance	2,202	-	2,202	1,277
	<hr/> 664,434	<hr/> 1,872,887	<hr/> 2,537,321	<hr/> 4,938,328
Unrestricted Expenditure	233,341	976,001	1,209,342	760,975
Restricted Expenditure(see Note 9)	431,093	896,886	1,327,979	4,222,353
	<hr/> 664,434	<hr/> 1,872,887	<hr/> 2,537,321	<hr/> 4,983,328

Trustee travel expenditure

No Trustees were reimbursed for travel expenses during the year. The trustee expenditure of £1,421 relates to an awayday and the costs were for Room Hire and refreshments. (2021: No Trustees were reimbursed for travel expenses during the year)

⁵ Includes support for Pause Practices, including the Liverpool City Region.

Pause Creating Space for Change Cash Flow 31 March 2022

4. Support Costs (allocated as per staff time)

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Salary Costs	1,872,887	1,241,004
	<hr/>	<hr/>
	1,872,887	1,241,004

5. Staff Costs

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Salaries	1,622,704	1,058,747
Social Security	163,009	118,732
Pensions	87,174	63,525
Temporary Staff	-	-
Recruitment Costs	7,268	33,413
	<hr/>	<hr/>
	1,880,155	1,274,417

Remuneration over £60,000 during 2021/2022

Three employees: £60,000-£69,999. (2021: three)

One employee: £80,000-£89,999. (2021: one)

Pension Costs for employees: £5,172 (2021: £5,127)

6. Staff Numbers

The average monthly head count was 39 staff (2021: 23 staff)

	2022 No.	2021 No:
Executive	4	4
Practice & Learning	8	10
Communications	6	2
Liverpool City Region	14	0
Business Development	<hr/> 7	<hr/> 7
	39	23

Key management personnel

In identifying 'key management personnel', Pause recognises a large number of roles that contribute to the success of the 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 and Influencing
- Director of Business Development

Pause Creating Space for Change Cash Flow 31 March 2022

- Programme Manager
- National Scoping Lead
- National Practice Leads x5 (2022 x5)

The total key management personnel remuneration including during the year is £744,550. (2021: £731,781)

7. Debtors

	As at 31 March 2022	As at 31 March 2021
	£	£
Trade Debtors	199,262	265,125
Accrued Income	-	872,667
Deferred Expenditure	-	38,336
	<hr/> 199,262	<hr/> 1,176,128

8. Creditors

	As at 31 March 2022	As at 31 March 2021
	£	£
Trade Creditors	27,479	416,174
Accruals	46,271	69,790
Taxation and Social Security Payable	13,150	3,375
Salaries	-	80,844
HMRC	-	43,054
Pensions	-	11,754
	<hr/> 86,900	<hr/> 624,991

Trade Creditors are made up of the following:

Doncaster Children's Services	£23,845
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Pause Creating Space for Change

Cash Flow 31 March 2022

9. Restricted Funds

	Opening Balance as at 1 April 2021	Incoming Resources	Outgoing Resources	Balance as at 31 March 2022
	£	£	£	£
Department for Education Children's Social Care Innovation Programme	722,532	29,000	751,532	-
Comic Relief	78,799	36,000	114,799	-
The Andrew and Belinda Scott Charitable Trust	-	100,000	100,000	-
Esmée Fairbairn Foundation	38,672	111,973	130,788	19,857
The Robertson Trust	8,136	38,000	46,136	-
CHK Foundation	55,000	-	55,000	-
Liverpool City Region	-	129,724	129,724	-
	903,139	444,697	1,327,979	19,857

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.

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 Andrew and Belinda Scott Charitable Trust

Contribution towards Pause Somerset.

Esmée Fairbairn Foundation

Three-year grant to fund development of the 'Next Steps' and Getting Involved programmes 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.

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.

Liverpool City Region

The Liverpool City Region income is grants from four local authorities to support two Pause Practices operating across Halton, Knowsley, Wirral and Liverpool.

Pause Creating Space for Change Cash Flow 31 March 2022

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. Net Assets between Funds

	General Fund	Restricted Funds	Total 2022
Current Assets	1,233,075	19,928	1,253,003
Current Liabilities	(86,829)	(71)	(86,900)
	<u>1,146,246</u>	<u>19,857</u>	<u>1,166,103</u>
	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>

12. Analysis of changes in net funds

	1 April 2021	Cashflows	31 March 2022
Cash at bank and in hand	1,675,669	(621,928)	1,053,741