



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

**Annual Report & Financial Statements
2020-2021**

Contents

Trustees' Annual Report	3
Statement of Trustees' Responsibilities	22
Independent Auditor's Report	23
Statement of Financial Activities	26
Balance Sheet	27
Cash Flow Statement	28
Notes to Financial Statements	29

Trustees' Annual Report Incorporating the Directors and Strategic Report

Chairman and Chief Executive Officer Introduction

Welcome to our annual report and accounts for 2020/2021, the first year of our new, 4 year strategic plan.

Our strategy for 2020-2024 was on schedule to be launched in March 2020, ready for the start of the new financial year. However, as the COVID-19 virus reached the UK, a pandemic was declared and we, along with many countries across the world, were propelled into a lockdown – a period of time that would be like nothing any of us have ever known.

All of our plans, priorities and efforts were shifted towards supporting and protecting the people around us, and ourselves, from what was quickly becoming a very dangerous, relentless virus.

The virus brought with it pain, loss, hurt, worry, sadness and frustration. But in such challenging times, kindness is always possible and kindness is something we do really well at Making Space. We could have put up barriers, but we didn't! Instead, we innovated and adapted to make sure people had access to what they needed to stay safe and well; we used technology to help people stay connected; and we improvised, excelled, challenged and continued to care.

In July 2020 we conducted a wellbeing survey with our colleagues. We wanted to understand how our colleagues were feeling, and how supported they felt in their role, at their service and from our leadership team. We are proud to say that:

- 88% felt supported to carry out their role during such challenging times
- 80% felt we were supporting their personal wellbeing
- 87% felt they had the correct resources and equipment to carry out their role safely and effectively
- 92% felt that communications issued from our leadership team kept them informed and reassured
- 90% felt that as an organisation we had responded well during the pandemic thus far

With further and localised COVID-19 restrictions, a change in our priorities and the additional pressure on our teams, we took the decision to postpone the official launch of our strategy. However, we were still able to progress with implementing many new projects that underpin our plan, including: launching our new vision, mission and values; working with partners to develop and launch new services across the North West; recruiting our digital Shine Champions; launching a new digital care planning solution; and developing a new, values-based, recruitment toolkit.

As restrictions continue to ease and we see some normality return to our lives, we look forward to making even more progress towards achieving our goals.

Public Benefit Disclosures

The Trustees of Making Space confirm that they have referred to the guidance contained in the Charity Commission's Guidance on public benefit when reviewing the charity's aims and objectives and in planning strategy and future activities. Our activities for 2020/21 continue to deliver public benefit by supporting individuals, their families and carers when facing the challenges associated with physical or mental illness or disability, learning disability and dementia. This support was delivered in residential and community settings and further delivered public benefit by easing the burden on COVID-19 stretched local authority and NHS services.

Trustees' Annual Report Incorporating the Directors and Strategic Report

We are Making Space

Making Space is a national charity and leading provider of health and social care services. We have been helping adults with care and support needs, and their carers, to lead independent and fulfilling lives since 1982.

We provide services from Cumbria to Cambridgeshire, supporting people in their own home, in their local community and with specialist care and support services.

Our caring and professional teams support adults with identified health or social care need(s), including:

- Common and/or complex mental health problems
- Learning disabilities
- Dementia
- People with age-related concerns
- Carers

We also support people who fund their own care and support to promote choice and wellbeing. Our services include:

- Residential and nursing homes
- Supported living and extra care services
- Floating support
- Independent hospitals
- Community support and social inclusion
- Employment and wellbeing
- Psychological therapies

We strive to go above and beyond for the people we support, helping them to live happy, fulfilling and enriched lives, with a focus on positive outcomes for each individual.

At Making Space, everything is done with dignity, respect and compassion for both the people we support and their families.

Vision

We will put wellbeing at the heart of health and social care.

Mission

Together we build relationships, connect communities and provide quality care as unique as the people we support.

Trustees' Annual Report Incorporating the Directors and Strategic Report

Our Way of Working

Everything that we do at Making Space is done on the belief that:

- Everyone matters and deserves a chance
- Everyone has a voice which is worth listening to
- Anyone can be affected by poor health
- Poor health should not be a barrier to finding joy and purpose in life
- Support should be there for anyone who wants it
- Support should be there at the point, and in the form, that it is needed
- We can and do improve and change lives
- There is so much more still to do: the best is yet to come.

We live our values every day:

Our values determine who we are, how we live our lives, how we treat people and every decision that we make.

It is important for us as a health and social care provider to have the right values. It is even more important to have a workforce that shares these values.

We have 5 co-produced values that represent what we stand for. Each value has a clearly defined list of behaviours that help us to translate them into day-to-day actions.

Our co-produced values and behaviours:

Kind Hearts: Generously building empathy and connection to create a sense of belonging

- We care about people
- We are compassionate, understanding and fair
- We actively listen without judgement and develop our understanding of others
- We act with kindness, transparency and warmth
- We encourage each other to be ourselves

Tailor-Making: Nurturing unique relationships to make every day count

- We take the lead from the people we support
- We aim to adapt and evolve based on what people need and want
- We reflect on the impact our behaviour may have on others
- We have the right skills and training
- We work together to share information and find solutions

Dreaming Big: Harnessing imagination we generate confidence in ourselves and others to take the first step

- We find ways to meet or exceed people's expectations
- We are ambitious, creative and flexible
- We encourage and support each other to explore new ideas
- We recognise that small successes can be everything
- We actively seek the views of the people we support to help improve our services

Trustees' Annual Report Incorporating the Directors and Strategic Report

Having Courage: Committing bravely to working in ways that take us to new places

- We believe in doing the right thing
- We take action and speak up to make positive change
- We try new things
- We take managed risks together
- We accept and learn from our mistakes

Being Ready: Responding to whatever comes our way by moving forward together

- We anticipate change
- We use our knowledge and insight to plan ahead
- We nurture trust through authentic, honest communication
- We build collaborative relationships
- We never stop learning

Our services

- **Care and support at home**

We are passionate about supporting people to live well in their own homes. Whether their home with us is for a short time, a few years, or longer term. We do everything we can to ensure that person is happy, healthy and has care and support that is unique to them.

In our supported living services, tenants benefit from having their own tenancies and are supported to maximise their independence. We provide flexible levels of support personalised to each individual, with the aim of making a positive difference to their life. Support can be anything from a daily wellbeing check, to care and support a few hours per week or several hours per day. We can also help with benefits, budgeting, maintaining a tenancy and life skills.

Facilities, care and support will vary across our supported living services. Some schemes will be individual homes, while others could be self-contained flats within a shared building. Some of our services have been designed specifically for people living with mental conditions and/or learning disabilities.

We also have accommodation services that are shorter term for people that may have been discharged from hospital, to help them transition into living independently in their community.

Our extra care services provide housing with care for people aged 55 and over. Residents live in self-contained homes, with care staff available to help with personal care and providing meals. They offer community spaces, on-site care and often have on-site facilities such as hairdressers, gardens and bistros. Extra care is a great place to live for those seeking to continue living an independent lifestyle. Some of our extra care schemes have been developed with special consideration of those living with dementia.

For those that can no longer manage daily living at home, but do not need nursing care, our residential homes provide a safe place to call home. Here residents can continue to live well, socialise and enjoy active, meaningful lives. Our care teams provide personal care and support such as help with washing, dressing, toileting, administering medication and mobility. Some offer specialist support for mental health conditions and dementia.

Trustees' Annual Report Incorporating the Directors and Strategic Report

- **Community based services**

Our community services are tailored to the needs of each community, giving people and carers the support they need to help them stay well and keep active.

Across the country we have services in the community that support mental health, wellbeing, recovery, independence, self-care, learning, employment and social inclusion.

We work in partnership with many other local providers so that we can advise and refer the people we support to other groups and activities that could provide additional local support.

With our integrated approach to providing community services, we hope to provide care and support that is personalised, meaningful, and accessible and that helps people to avoid unnecessary hospital care.

- **Specialised services**

We have a number of services that provide specialist care, therapies and programmes for people living with complex dementia, mental health conditions and associated needs.

These services include our independent hospitals, and residential/nursing care homes. Our multidisciplinary teams provide a high level of specialist care all designed to meet peoples' needs and enhance their quality of life. These services can provide a long-term home or short-term respite. Admission criteria and duration of care available is specific to each service.

We also have a specialist team of qualified Psychological Wellbeing Practitioners who provide one to one support, computerised cognitive behaviour therapy and social prescribing to people who are experiencing common mental health problems.

- **Where we work**

Making Space operates across England and all services are supported by corporate services based in a head office, based in Warrington, in the heart of the North West of England. We are arranged into six geographical directorates, all led by a dedicated Regional Head of Operations experienced in managing a diverse portfolio of health and social care provision.

The majority of our provision is in the North of England with a growing presence and portfolio across the Midlands area. Each directorate delivers services across our continuum of support that is based in the local community, in people's homes and specialised support.

We are commissioned by Local Authorities and the NHS to provide services that meet the principles of the Care Act 2014, which is built upon reviews and reforms to provide a coherent approach to adult social care in England.

Trustees' Annual Report Incorporating the Directors and Strategic Report

Strategic Review

Objectives and Activities

Our strategy for 2020-2024 includes:

- A new logo that continues to represent our established identity while also representing how we have evolved
- A vision statement that shares our ambitious hopes for our people, charity and sector
- A mission statement that clearly shares why we exist
- 5 new co-produced values that shape our culture, the way we work and help us to achieve our vision and mission
- Our next strategic plan, underpinned by 4 strategic pillars, each with their own key aims and measures
- Strategic KPIs to help us measure the implementation of our longer-term strategy

Vision	We will put wellbeing at the heart of health and social care.			
Mission	Together we build relationships, connect communities and provide quality care as unique as the people we support.			
Values	Kind Hearts Tailor-Making Dreaming Big Having Courage Being Ready			
Strategic Pillars	Co-produced Services	Digital Capability	Care Designed for the Future	A dedicated and committed workforce
	Aim 1: Making it real service plans Aim 2: Making change - experts by experience Aim 3: Involvement in employee recruitment Aim 4: National event for people we support Aim 5: Increase the range of volunteer roles throughout the organisation that are person-centred and life enriching	Aim 1: Research, identify, design & implement an optimal digital infrastructure Aim 2: Developing the digital skills of our people Aim 3: Electronic care planning	Aim 1: Places to Call Home programme Aim 2: Shaping our destiny Aim 3: Investing to grow Aim 4: Learning from the best practice	Aim 1: Attracting the best people, with the right values in the right number Aim 2: Developing the skills of our people to fulfil their potential Aim 3: Supporting our people to give their best with wellbeing at the heart Aim 5: Leading through excellence

Trustees' Annual Report

Incorporating the Directors and Strategic Report

People we support

In the last twelve months we have supported 10,192 people across the country accessing the following services:

Service Type	No. of people using the services
Carer Support	1,397
Dementia	2,386
Dementia Cafes	1,440
Computerised Cognitive Behavioural Therapy	962
Day Care	2,105
Employment	98
Extra Care	443
Home/Domiciliary Care	41
Community Support Accommodation Provided	584
Community Support Accommodation Not Provided	430
Independent Hospitals	39
Nursing Homes	42
Registered Care Homes	225
Total	10,192

Volunteering and support to volunteers is a key aspect of our approach to supporting a broad range of people to stay connected to their own communities. During this year, our key focus has been the support of volunteers to stay connected and support their wellbeing during the pandemic. A range of volunteer opportunities were suspended due to lockdown and pandemic restrictions whilst other activities were developed to ensure contact, support and continued engagement was maintained. Making Space has 299 volunteers (410 in 2020) which reflects the numbers of people who either suspended their activities due to shielding or lockdown requirements or the changes to service provision in light of COVID-19. A comprehensive plan was co-produced with volunteers to enable people to return to volunteering as the restrictions of COVID-19 are lifted.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Strategic Activities and Key Performance Measures

Key deliverables for the year to 31 March 2021 were:

- **Increase the voice and visibility of the people we support into the governance of the organisation.**

During the year, Making Space maintained the commitment to involve people we support in staff recruitment, with 44% of posts having some form of user involvement and engagement. As part of our response to the Care Quality Commission's regulatory requirement to have a Service User Guide in place across registered services, a new guide and information handbook was co-produced and designed for use across Making Space. Additional support was provided to Making Change group members and volunteers throughout the COVID-19 period with positive feedback around online events and meetings.

- **Implement a phased digital support and care plan platform across specialist, residential and community based services.**

Following a comprehensive assessment of the market place, Nourish, an experienced provider of digital care plans was contracted to support the roll out of a project implementation plan. This is a key element of the Shine project, to enhance digital capabilities across the organisation and enhance the opportunities afforded through innovation and technology.

- **We will complete the Trusted Charity Level One self-assessment and accreditation process.**

Following changes to the National Council for Voluntary Organisations, the Trusted Charity programme was temporarily suspended pending the identification of a new provider. Making Space is commissioning a governance review from an alternative external provider.

- **We will review safeguarding and quality assurance processes in light of emerging regulatory changes and regulations.**

The Quality assurance Team reviewed all safeguarding and quality assurance processes, which resulted in improving online guidance and reporting processes. In addition a quality audit framework and regional dashboard has been introduced to give an overview of service performance on a quarterly basis.

- **Update our workforce reward and recognition strategy.**

This year we have been updating our reward and recognition strategy. We have increased the allowance for our cycle to work scheme and we have also introduced a car maintenance scheme. In January we launched Wagestream, a financial wellbeing initiative that helps colleagues to: track their pay in real time, stream 30% of earned wages when they need it, save money and access advice on managing money. So far, 22% of our employees have signed up to Wagestream, and we plan to increase this engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and have also put the preparations in place to introduce a life assurance benefit from the start of 2021/22.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards, Markel 3rd Sector Awards and Great British Care Awards and have 27 colleagues reaching the national and regional finals.

Trustees' Annual Report Incorporating the Directors and Strategic Report

- **Develop a new suite of key performance indicators which support the new strategic plan.**

We have now developed and agreed our key performance indicators for the coming year. These KPIs support our new strategic plan and can be found in 'Our Plans for 2021-2020' further on this report.

Key Performance Indicators

Performance in the year to 31 March 2021 is summarised in the following table:

Key Performance Indicator	Target	2021 Actual	Narrative
Service User Outcomes using Adult Social Care Outcomes Framework	>82.0%	86.0%	Achieved
CQC Compliance Overall Good or Better	>90.0%	100.0%	Achieved
Employee Engagement – at least 45% positive score from employee satisfaction survey	>45.0%	90.0%	Achieved
Employee Sickness	<5.0%	5.6%	This objective would have been achieved but for COVID-19
Employee Vacancies	<8.0%	6.3%	Achieved
Employee Stability Index	>76.8%	80.3%	Achieved
Mandatory Training Compliance	>90.0%	89.7%	Fallen just under target primarily due to COVID-19 restrictions on face-to-face training. This training is now being prioritised as face-to-face training resumes
Financial Surplus	>£780,372	£969,353	Achieved.
Income Growth	>3.0%	1.1%	Growth opportunities curtailed by reduced tender activity and by delays in the construction of new services due to COVID-19.

When agreeing KPIs with the Executive Management Team, Trustees look to set targets, which improve performance by benchmarking against industry average information and by looking for continuous improvement. Initially service user outcomes and Care Quality Commission compliance were benchmarked against industry averages. However, Making Space now look for continuous improvement in this area as performance is well above industry averages. Employee-related KPIs are benchmarked against care sector average information mainly derived from Skills for Care.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Financial Review

The Statement of Financial Activities (SOFA) for the year is set out within the financial statements. Total incoming resources increased by 1.1% in the year to £27,571,420. An operating surplus of £969,353 (2020: £507,787 surplus) was achieved. Income growth was curtailed in year due to the delay in building-related developments due to the pandemic. Tendering opportunities also reduced during the pandemic. The operating surplus held up due to the financial support offered by central government, local authorities and NHS funders which paid for the increasing costs associated with delivering services while mitigating COVID-19 risks.

A positive movement in funds of £896,353 (2020: £540,787 increase in funds) was achieved, after an actuarial loss on pensions of £73,000 (2020: £33,000 gain).

Cash in hand and on deposit rose by £2,062,991 to £11,366,006.

In the view of the Trustees, the finances of Making Space continue to be sound but in order to maintain this position in the future, efforts will continue to be made to secure new funding streams and to maintain and improve the value-for-money of Making Space services.

Investments

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk-averse policy to invest in cash with a number of credit-referenced UK registered banks.

Interest rate quotes are sought from credit-referenced banks each time cash is placed on deposit to meet the objective of maximising interest received from this limited number of banks.

Key Risks and Uncertainties

The Trustees are responsible for the management of risks faced by Making Space, working to an established risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks faced, prioritising risks in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The key controls used include:

- Comprehensive reports are monitored at regular, minuted Board and Committee meetings.
- Detailed terms of reference for all Committees and an approval process for all actions by the Board.
- Comprehensive strategic and operational planning, budgeting and management accounting.
- Clear organisational structure and lines of reporting.
- Formal written policies which are regularly reviewed.
- Clear authorisation and approval levels.
- Trustee approved risk management policy and associated procedures.

Trustees' Annual Report Incorporating the Directors and Strategic Report

The highest placed risks on Making Space's risk register and associated mitigating actions are as follows:

COVID-19 causing death or illness of the people we support or employees and potential financial and reputational damage

- Making Space has followed all guidance in regards to infection control measures and enhanced these measures where it thinks necessary. This has resulted in the implementation of a detailed operational risk register which identifies best practice ways of working to mitigate COVID-19 risks.
- Our insurers have been consulted on and kept informed of material COVID-19 related risks.
- Voids were identified as a possible financial risk, but occupancy remains high. Making Space continues to work closely with local commissioners to help avoid this void risk.
- Thus far, public sector buyers of Making Space services continue to fund any additional costs due to COVID-19. It is recognised that this funding cannot continue indefinitely, and public sector funding may be reduced going forward. Most Making Space services are those where there is a statutory obligation on local authorities or health bodies to fund, so it is reasonable to expect this funding to continue going forward. However, plans are in place to deliver some financially marginal, that are valuable to those who use them, in different and perhaps more cost-effective ways. Making Space has made greater use of technology to support people during the COVID-19 pandemic and this digitalisation of support will continue. A key tenet of Making Space's new strategic plan is the diversification of income streams beyond local authorities and health commissioners.

The effect of public sector funding cuts and the move away from block-to-spot contracts reduces Making Space's net income

- Delivering commissioner requirements by providing value-for-money services of a quality attractive to commissioners continues to deliver new business.
- Continue to maintain an operating cost reserve equivalent to 2 months' expenditure.
- Pro-active development of partnerships with other organisations to submit joint or consortia proposals.
- The diversification of income streams so that the charity is not almost wholly reliant on public sector funding has been delayed by COVID-19 but delivering privately funded services remains an objective.

Failure to attract and retain suitable skilled, qualified and experienced employees

- A three year people plan is in place which includes a range of approaches that will support the delivery of the strategic plan and our drive to become a preferred employer within the health and social care market.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Pension Liabilities

Making Space operates funded pension schemes that have both a defined benefit and defined contribution sections. Defined benefit schemes are closed to all but those employees transferred to Making Space under protected employment terms. The annually calculated notional surplus or deficit on the funding of Local Government Final Salary Pension Schemes is shown on the face of the Balance Sheet as a Pension Liability and as at 31 March 2021 stands at £163,000 (2020: £87,000 liability).

The Trustees believe that the schemes currently meet their funding requirements and the level of contributions to the schemes have been adjusted following detailed three yearly actuarial valuations.

The Trustees are aware of the volatile nature of the deficit calculation, and this deficit will vary depending on the assumptions made at the valuation date. The Trustees continue to adopt an appropriate funding strategy based on actuarial guidance.

Reserves

When reviewing our reserves policy this year, Trustees questioned whether a two-month 'Emergency Operating Reserve' remained sufficiently prudent in a COVID-19 environment and concluded a two-month reserve offered sufficient cover. For the year ended 31 March 2021 this equates to £4,350,837 (2020: £4,421,916).

The Trustees have considered the challenging funding environment within which Making Space operates and the impact of COVID-19 and have concluded that it is prudent to maintain the 'Emergency Operating Reserve' as a cash balance.

The balance of cash and short-term investments as at 31 March 2021 is £11,366,006. The Trustees believe that any available cash remaining after the setting aside of the emergency operating reserve should be invested in the development of new services. £7,015,169 (2020: £4,881,099) is therefore available to develop services. The commitment to use excess reserves to invest in new services has been delayed by COVID-19 but remains an objective.

Our free reserves figure (unrestricted reserves of £17,626,925) after fixed assets (£7,869,894), and emergency operating reserve (£4,350,837) are discounted is £5,406,194 (2020: £4,602,941).

Going Concern

In response to the pandemic, a COVID-19 risk assessment has been prepared and is regularly monitored by Trustees. Trustees identified occupancy levels as a significant risk at the start of the pandemic, but occupancy levels remain above average levels. Making Space has not been financially impacted in the same way as some other charities because, at least in part, it is not an elder care specialist, and does not rely on voluntary income or private fee payers. Additional COVID-19 costs have been funded by central Government or local authority and NHS commissioners. However, Trustees have considered likelihood of recurring COVID-19 costs when setting an emergency operating reserve of £4,350,837. Trustees looked at financial forecasts for the next three years and management accounts prepared since 31 March 2021 in determining that Making Space is a going concern.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Our Plans for 2021-22

We will:

- Launch “Making it Real” forums in each of our regions.
- Develop the digital skills of our workforce.
- Purchase property to provide support to people in the heart of their communities.
- Enhance our recruitment procedures through digital platforms.
- Develop a reward and recognition strategy which aims to highlight values-based behaviours.

Key Performance Indicators for the coming year

We will monitor and report on progress against key performance indicators and targets annually. The key performance indicators for the coming year will support our new 2020-2024 strategic plan.

Our Key Performance Indicators for 2021/22 are:

KPI	Benchmark	Target
1. Increase our digital ability to measure our impact and outcomes for the people we support.	% of services with electronic care plans in place against implementation target.	90% and above.
2. Provide high quality care for the people who use our services.	CQC compliance in top quartile % of services rated as good or above.	90% and above.
3. Ensure services are delivered in accordance with agreed performance and quality levels.	Service utilisation compared to contract requirements and actual hours delivered verses planned delivery hours.	80% and above.
4. Actively involving people we support in the design and delivery of services.	% of services with a 'Making it Real Plan' in place	70% and above.
5. Connecting people to their communities and others through volunteering.	% of services with volunteer roles, actual versus plan.	80% and above.
6. Listening to the people we support to improve our services.	% of services with service user feedback mechanisms in place.	80% and above.
7. Attract the right people with the right values in the right number.	Vacancy % compared to 2020 Skills for Care Report of 7.3%.	6.5% and below.
8. Have a workforce that feels valued and rewarded.	Turnover % compared to 2020 Skills for Care Report of 30.4%.	25% and below.
9. Develop our peoples' skills to their full potential.	Operational colleagues qualified to at least level two compared to 2020 Skills For Care Report of 48.0%	48.0% and above.
10. Maintain our financial viability.	Achieve agreed annual budget surplus of £1,173,249.	Better than budget.
11. Continue to grow so that our positive impact is felt more widely.	Achieve growth in income whilst generating a reasonable surplus.	Income greater than prior year.

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Administrative Details

Making Space is a charity (Registered charity number 512907) and a company limited by guarantee (Company Registration number 01642033).

Registered Office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as Trustees during the reporting period, and up to the date of signing:

A Teague	Chair of the Trustees
A Broadhurst	
N Hormozi	
S Humphreys	
S Hull	
M Jenkinson	
E Johnstone	
K Porceddu	

Chief Officers of Making Space

Chief Executive:	R Peacock
Executive Director of Finance:	W Jones
Executive Director of Operations:	G Chisnall
Executive Director of Human Resources	P Orton
Executive Director of Quality and Compliance	P Dillon
Company Secretary	W Jones

Trustees' Annual Report Incorporating the Directors and Strategic Report

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

DAC Beachcroft LLP
100 Fetter Lane
London
EC4A 1BN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Structure, Governance and Management

Making Space is governed by its Memorandum & Articles of Association. It is an incorporated charity registered with the Charity Commission. There is a maximum of 16 Trustee positions on the Board. At the end of the year, 7 posts were filled. Trustees are elected at the Annual General Meeting (AGM) and hold office for 3 years, subject to the terms of the Memorandum & Articles of Association. Trustees can seek re-election for a further term of office up to a maximum of three terms of three years.

The Board has an active desire to recruit additional Trustees and applications or nominations for Trustee positions are received and reviewed by the Board against a skills matrix and role description, in accordance with the Trustee Recruitment Policy and Procedure. Prospective Trustees are interviewed to assess their competency and suitability for a Trustee position before gaining the support of the Board, prior to nomination and approval at the AGM. A comprehensive induction programme is implemented for each new Trustee, which includes visits to services, mentoring from Executive Officers and on-going support from the Chairman and other Board members.

Daily operational running of the organisation is delegated to the Chief Executive and the Executive Management Team based at Head Office in Warrington. The Head Office houses the Executive Management functions for finance, operations, human resources, and quality. During the year, the Chief Executive and the Executive Management Team presented reports regularly to the Board and Hospital Managers Committee and Quality and Assurance Committee on strategic and operational issues relevant to the Board's oversight of the organisation.

For the purposes of the Mental Health Act 1983 (MHA), Making Space is the detaining authority and therefore "Hospital Managers" for patients who may be detained under a section of the Mental Health Act, within our Independent Hospitals. The Board of Trustees as "Hospital Managers" are responsible for all the patients detained in the hospitals including in respect of the duties and powers to discharge patients. The Trustees have the power to appoint experienced "Associate Hospital Managers" to help them undertake their Hospital Manager responsibility.

In addition, the Trustees must ensure the responsibility and commitment of Making Space as the Registered Provider to evidence based care and treatment and quality of patient experience. All new and existing Trustees follow the agreed policies and procedures laid out in the Trustee Handbook. These include policies and procedures for effective induction of new Trustees and a thorough learning and development programme for all Trustees.

Trustee induction includes an introduction to The Charity Commission's Charity Governance Code and the seven pillars of good governance. The Charity Commission Code of Governance is adopted by the charity and Making Space is compliant in all areas. Trustees are introduced to their legal responsibilities by working through The Essential Trustee before getting an understanding of the seven principles of leadership, integrity, decision-making, risk and control, board effectiveness, diversity, openness, and accountability. These principles form the basis of how Making Space is governed and managed. This was assessed in the prior period and there has been no change in the current period. Trustees must complete online mandatory training.

A review of the pay of Executive Directors was undertaken using information from external data resources. The Board of Trustees and the CEO agreed the actual pay placing them within the appropriate range identified by these external resources.

The only Trustee role which it is possible to pay under Making Space governing documents is that of Chair. The Trustees took the decision in 2014 to start paying for the role of Chair. This decision was taken following legal advice and receiving Charity Commission approval. A remuneration rate of £10,000 per year was agreed following a benchmarking exercise with payments made to the Chairs of similar charities. The current Chair has chosen not to accept any remuneration.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Employee Engagement

We have continued working towards our 3 year people plan.

Following on from the review we undertook of our values last year, this year's work has focused upon launching our new values and embedding them throughout Making Space. To achieve this we have co-produced a set of underpinning behaviours which in turn have been used to communicate the values from our launch in August 2020. We have undertaken a widespread engagement programme for this using both video and social media as well as a number of embedding initiatives including a review of our recruitment tools and selection procedures. This work will continue throughout 2021.

In early 2021 we have undertaken a full employee survey where we received a strong response of 50%. The results were overwhelmingly positive across all five measures of our index with our friends and family test remaining high at over 90%. We used this opportunity to capture learning about working through the COVID pandemic and fair treatment at work. We have gone on to develop an action plan to respond to some of the findings particularly around leadership, reward and Equality & Diversity and will be holding a number of listening events to gain a more qualitative perspective.

We have continued to build upon our employee engagement hub and the number of employees registered with the platform has further grown to 55%. The number of recognitions posted from managers and colleagues has gone up from 700 to 1019, a 31% increase within the year. During the first national lockdown the platform received some of its heaviest usage to date as people expressed their gratitude to the work of their teams and colleagues. We are continuing to develop this method of engagement and have now included our new values within the platform.

We have continued to promote regular communications with our workforce through newsletters and social media. In particular over the past 12 months communication with the workforce has been key to us responding to the COVID pandemic and for employees feeling informed and reassured. We have provided regular communications from the EMT during the last year, this has been as frequently as weekly. We have increased the engagement of these communications by also sending through text messaging as well as email. This has been recognised through the employee survey as very successful over this period. We have also launched a regular video communications from the CEO as we continue to work on increasing the levels of engagement with our internal communications.

This year we said we would focus on updating our reward & recognition strategy which we have been working upon. Our package has been further enhanced over the last year with increasing the allowance for our cycle to work scheme and have introduced a car maintenance scheme. Wagestream, which enables employees to draw upon up to 30% of their salary as they earn was introduced in January 2021. The platform provides a hub of information and advice on financial wellbeing, financial management & savings. So far we have had a take up of 22% with plans to increase the engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and are also have put the preparations in place to introduce a life assurance benefit from the start of 2021/22.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards and Great British Care Awards and have a number of employees reaching the national and regional finals.

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Positive about Disability

We are a Disability Confident Employer Level 1, this means that Making Space is taking action to ensure that people with disabilities and long term health conditions feel supported, engaged and able to fulfil their potential in the workplace.

These steps include offering interviews to all candidates who meet the minimum criteria for the role and being flexible with our recruitment processes. For example, allowing CV applications rather than only application forms where that's a supportive step and supporting flexible working patterns where possible. It also means that we take active steps to make adjustments in the workplace to support employees with disabilities. We also provide Equality & Diversity training including Dementia, learning disabilities and Mental Health awareness to our workforce.

Qualifying indemnity provisions

The charitable company has put in place qualifying third party indemnity insurance provisions for all of the Trustees of Making Space.

Related Parties and Co-production with other Organisations

Making Space continues to be an active member of the National Association of Mental Health Providers, which aims to bring consistency and professionalism across the voluntary mental health sector.

Making Space remains committed to working in partnership with similar charitable organisations housing associations, local authorities, commissioners, universities and government bodies etc. to deliver the organisational objectives and the services required by commissioning bodies.

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,843 (2020: £56,832).

Trustees' Annual Report Incorporating the Directors and Strategic Report

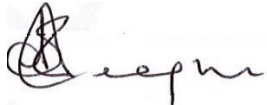
Statement as to disclosure of information to auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware; and
- The Trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approve the Strategic Report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees



Alan Teague
Chair of Trustees

Date: 30th November 2021

Trustees' Responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

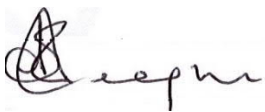
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Alan Teague
Chair of Trustees

Date: 30th November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE

Opinion on the financial statements

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 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.

We have audited the financial statements of Making Space Limited ("the Charitable 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 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 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.

Independence

We remain independent of the 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.

Conclusions related 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

regulations made or having effect thereunder.

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

Extent to which the audit was 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:

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the Charity and the sector in which it operates we considered the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recoverability of debtors, the actuarial assumptions in respect of the defined benefit pension schemes, the classification of leases, and the depreciation and impairment of fixed assets;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the Charity is complying with relevant legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining 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 purpose of expressing an opinion on the effectiveness of the Charity's internal control; and
- Evaluated 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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

HELEN KNOWLES

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Helen Knowles (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

13 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES**(Incorporating the summary income and expenditure account)****Year ended 31 March 2021**

	Note	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		142,750	0	142,750	40,102
Charitable activities	2,8	27,187,897	163,622	27,351,519	26,867,848
Other trading activities	3	4,020	0	4,020	8,476
Investments	4	67,360	0	67,360	93,332
Other	5	5,771	0	5,771	29,530
TOTAL INCOME AND ENDOWMENTS		27,407,798	163,622	27,571,420	27,039,288
RESOURCES EXPENDED					
Charitable activities	7,8,10	26,451,088	150,979	26,602,067	26,531,501
TOTAL EXPENDITURE		26,451,088	150,979	26,602,067	26,531,501
NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES)		956,710	12,643	969,353	507,787
Actuarial gains/(losses) on defined benefit pension schemes	20	(73,000)	0	(73,000)	33,000
NET MOVEMENT IN FUNDS		883,710	12,643	896,353	540,787
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		16,743,215	993,517	17,736,732	17,195,945
TOTAL FUNDS CARRIED FORWARD	20	17,626,925	1,006,160	18,633,085	17,736,732

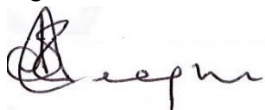
All the above results derive from continuing operations. All gains and losses recognised in the year are included above.

BALANCE SHEET

As at 31 March 2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible assets	13	7,869,894	7,718,357
TOTAL FIXED ASSETS		<u>7,869,894</u>	<u>7,718,357</u>
CURRENT ASSETS			
Stock	14	461	477
Debtors	15	2,718,006	3,091,090
Investments, cash and cash equivalents		6,649,798	6,100,500
Cash at bank and in hand		4,716,208	3,202,515
TOTAL CURRENT ASSETS		<u>14,084,473</u>	<u>12,394,582</u>
LIABILITIES			
Creditors: amounts falling due within one year	16	(3,158,282)	(2,289,207)
NET CURRENT ASSETS		10,926,191	10,105,375
TOTAL ASSETS LESS CURRENT LIABILITIES		18,796,085	17,823,732
Defined benefit pension scheme liability	18	(163,000)	(87,000)
TOTAL NET ASSETS		<u>18,633,085</u>	<u>17,736,732</u>
THE FUNDS OF THE CHARITY			
Restricted funds	18, 20, 22	1,006,160	993,517
Unrestricted funds	18, 20	17,626,925	16,743,215
TOTAL CHARITY FUNDS	20	<u>18,633,085</u>	<u>17,736,732</u>

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 18th November 2021 and signed on its behalf by:


Alan Teague

Chair of Trustees

Date of Signing: 30th November 2021

CASHFLOW STATEMENT**Year Ended 31 March 2021**

	Total funds	Prior year funds
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	2,419,054	799,455
Cash flows from investing activities:		
Dividends, interest and rents from investments	67,360	93,332
Proceeds from the sale of property, plant and equipment	425,660	0
Purchase of property, plant and equipment	(849,083)	(1,104,558)
Proceeds from sale of investments	(549,298)	0
Net cash provided by (used in) investing activities	<u>1,513,693</u>	<u>(211,771)</u>
Change in cash and cash equivalents in the reporting period	1,513,693	(211,771)
Cash and cash equivalents at the beginning of the reporting period	3,202,515	3,414,286
Cash and cash equivalents at the end of the reporting period	<u>4,716,208</u>	<u>3,202,515</u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities	Current Year	Prior Year
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	896,353	540,787
Adjustments for:		
Depreciation charges	271,886	440,251
Dividends and interest from investments	(67,360)	(93,332)
Deficit on sale of fixed assets	0	0
Decrease in stocks	16	817
Decrease/(increase) in debtors	373,084	(44,531)
Increase/(decrease) in creditors	869,075	(24,537)
(Increase)/decrease in pension liability	76,000	(20,000)
Net cash provided by (used in) operating activities	<u>2,419,054</u>	<u>799,455</u>

Analysis of cash and cash equivalents	Current Year	Prior Year
	£	£
Cash in hand	4,716,208	3,202,515
Notice deposits (less than 3 months)	0	0
Overdraft facility repayable on demand	0	0
Total cash and cash equivalents	<u>4,716,208</u>	<u>3,202,515</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

Company status

Making Space is a private company, limited by guarantee, and a charity, registered and incorporated in England & Wales, under the Companies Act and Charity Act.

The Trustee Report includes the address of the registered office and details the principal activities of the charity.

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

In response to the pandemic, a COVID-19 risk assessment has been prepared and is regularly monitored by Trustees. Trustees identified occupancy levels as a significant risk at the start of the pandemic, but occupancy levels remain above average levels. Making Space has not been financially impacted in the same way as some other charities because, at least in part, it is not an elder care specialist, and does not rely on voluntary income or private fee payers. Additional COVID-19 costs have been funded by central Government or local authority and NHS commissioners. However, Trustees have considered likelihood of recurring COVID-19 costs when setting an emergency operating reserve of £4,350,837. Trustees looked at financial forecasts for the next three years and management accounts prepared since 31 March 2021 in determining that Making Space is a going concern. Making Space has free reserves in excess of the emergency operating reserve of £5,406,194 and still anticipates to make annual operating surpluses in excess of £1 million a year in each of the next three years. In the five months ending August 2021 Making Space has made a surplus of £511,988. The emergency operating reserve will be maintained as a minimum cash balance which is supported by forecast cash flows.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

The actuarial assumptions in respect of defined benefit pension schemes - The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Classification of leases - whether leases entered into as lessee, is operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Depreciation of tangible fixed assets and impairment – Tangible fixed assets are depreciated over their useful lives taking into account residual lives, where appropriate. The actual lives of the assets and residual lives are assessed annually and may vary depending upon a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. In considering whether indications of impairment exist, factors taken into consideration include the economic viability and expected future performance of the asset.

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. The following accounting policies are applied to income:

Grants, rents and service charges receivable

Grants receivable and rents receivable are accounted for on an accruals basis.

Furlough

Monies received under the furlough scheme are accounted for under an accruals basis.

Donations

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Cash collections which the charity is entitled but which it has not received by the year-end are included in incoming resources in the statement of financial activities and shown in the balance sheet.

Investment income

Investment income is accounted for when receivable.

Cash at bank and cash in hand includes cash in the current bank account.

Investments consist of cash held on deposit for periods of twelve months.

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit-referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable

VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes. Any costs of raising or administering such funds are charged against specific funds.

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts.

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds, which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds, which have been put aside at the discretion of the Trustees.

Tangible Fixed Assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation and are capitalised above £500.

Repairs and maintenance are charged to the SOFA during the period in which they are incurred.

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

(a) Defined benefit scheme

Making Space has employees in four defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

(b) Making Space contributes to five group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination Policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for slow moving or obsolete items where appropriate.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the

present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

Government grants represent the assistance by government in the form of a transfer of resources to a charity in return for past or future compliance with specified conditions relating to the operating activities of the charity (or its subsidiary). Government refers to government, government agencies and similar bodies whether local, national or international.

Financial instruments

Debtors and creditors

Debtors and creditors receivable or payable in one year are recorded at transaction price.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of cash at the bank and notice accounts with original maturity of three months or less.

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Head Office	5,161	0	5,161	220,984	0	220,984
Residential care homes and independent hospitals	9,313,258	117,372	9,430,630	10,232,257	117,372	10,349,629
Employment services	0	0	0	169,310	0	169,310
Social inclusion services	1,554,092	0	1,554,092	1,407,052	0	1,407,052
Improve access to psychological therapies	350,505	0	350,505	349,910	0	349,910
Carer support	458,293	46,250	504,543	451,334	45,000	496,334
Community dementia services	780,860	0	780,860	793,485	0	793,485
Supported housing	10,972,412	0	10,972,412	9,884,313	0	9,884,313
Home care services	3,528,161	0	3,528,161	3,196,831	0	3,196,831
Furlough	225,155	0	225,155	0	0	0
Total	27,187,897	163,622	27,351,519	26,705,476	162,372	26,867,848

3. INCOME FROM OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Rental income	4,020	8,476
	<u>4,020</u>	<u>8,476</u>

4. INCOME FROM INVESTMENTS

	2021	2020
	£	£
Interest received	67,360	93,332
	<u>67,360</u>	<u>93,332</u>

5. OTHER INCOMING RESOURCES

	2021	2020
	£	£
Management fees	0	18,316
Miscellaneous income	5,771	11,214
	<u>5,771</u>	<u>29,530</u>

6. GOVERNMENT GRANTS

Income from government grants comprises performance related grants made by local authorities to fund the activities outlined in Note 22.

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2021
	£	£	£	£	£
Head office	0	0	3,154,047	51,792	3,205,839
Residential care homes and independent hospitals	8,457,785	0	0	0	8,457,785
Employment services	0	0	0	0	0
Social inclusion	1,352,831	0	0	0	1,352,831
Improve access to psychological therapies	308,304	0	0	0	308,304
Carer support	441,845	0	0	0	441,845
Community dementia support	702,149	0	0	0	702,149
Supported housing	8,662,794	0	0	0	8,662,794
Home Care Services	3,245,365	0	0	0	3,245,365
Total	23,171,073	0	3,154,047	51,792	26,376,912
Unrestricted	23,020,094	0	3,154,047	51,792	26,225,933
Restricted	150,979	0	0	0	150,979
Total	23,171,073	0	3,154,047	51,792	26,376,912
	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2020
	£	£	£	£	£
Head office	0	0	3,350,180	67,162	3,417,342
Residential care homes and independent hospitals	9,585,137	0	0	0	9,585,137
Employment services	129,548	0	0	0	129,548
Social inclusion	1,272,425	0	0	0	1,272,425
Improve access to psychological therapies	317,664	0	0	0	317,664
Carer support	435,614	0	0	0	435,614
Community dementia support	706,043	0	0	0	706,043
Supported housing	7,841,837	0	0	0	7,841,837
Home Care Services	2,825,891	0	0	0	2,825,891
Total	23,114,159	0	3,350,180	67,162	26,531,501
Unrestricted	22,939,604	0	3,350,180	67,162	26,356,946
Restricted	174,555	0	0	0	174,555
Total	23,114,159	0	3,350,180	67,162	26,531,501

8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

	Income	Costs	Net cost funded from other income	Income	Costs	Net cost funded from other income
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Head office	5,161	3,154,047	(3,148,886)	220,984	3,350,180	(3,129,196)
Governance costs	0	51,792	(51,792)	0	67,162	(67,162)
Residential care homes and independent hospitals	9,430,630	8,457,785	972,845	10,349,639	9,585,137	764,492
Social inclusion	1,554,092	1,352,831	201,261	1,576,362	1,401,973	174,389
Improve access to psychological therapies	350,505	308,304	42,201	349,910	317,664	32,246
Carer support	504,543	441,845	62,698	496,334	435,614	60,720
Community dementia support	780,860	702,149	78,711	793,485	706,043	87,442
Supported housing	10,972,412	8,662,794	2,309,618	9,884,303	7,841,837	2,042,476
Extra care including homecare	3,528,161	3,245,365	282,796	3,196,831	2,825,891	370,940
Furlough	225,155	225,155	0	0	0	0
Total	27,351,519	26,602,067	749,452	26,867,848	26,531,501	336,347

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs	Support Costs	Governance costs	Total costs
	2021	2021	2021	2020	2020	2020
	£	£		£	£	£
Chief Executive	198,306	0	198,306	207,236	0	207,236
Business Services	211,865	0	211,865	221,183	0	221,183
Finance	396,795	0	396,795	349,701	0	349,701
Development	266,623	0	266,623	206,578	0	206,578
IT	458,483	0	458,483	380,560	0	380,560
Human resources	476,524	0	476,524	463,765	0	463,765
Marketing	206,271	0	206,271	168,585	0	168,585
Quality assurance	375,503	0	375,503	309,478	0	309,478
Central management	236,213	0	236,213	183,597	0	183,597
Membership, Voluntary and User Inclusion	40,888	0	40,888	523,042	0	523,042
Other	286,576	0	286,576	336,454	0	336,454
Audit fees and accountancy costs	0	35,900	35,900	0	40,767	40,767
Trustee costs	0	14,892	14,892	0	25,395	25,395
Trustee indemnity insurance	0	1,000	1,000	0	1,000	1,000
Total	3,154,047	51,792	3,205,839	3,350,180	67,162	3,417,342

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total
	2021	2021	2021	2021
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	19,337,980	6,940,409	271,886	26,550,275
Governance costs	11,185	40,607	0	51,792
Total resources expended	19,349,165	6,981,016	271,886	26,602,067

	Staff costs	Other	Depreciation	Total
	2020	2020	2020	2020
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	18,944,691	7,079,397	440,251	26,464,339
Governance costs	16,099	51,063	0	67,162
Total resources expended	18,960,790	7,130,460	440,251	26,531,501

11. NET INCOMING/ (OUTGOING) RESOURCE

	2021	2020
	£	£
Net incoming/(outgoing) resources for the year are stated after charging/(crediting):		
Rentals under operating leases	242,783	165,570
Depreciation of tangible fixed assets - owned	271,886	440,251
(Surplus)/deficit on disposal of fixed assets	0	0
Auditor's remuneration for the audit of the Charity's annual accounts	32,000	30,000

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2021	2020
	£	£
Staff costs comprise:		
Wages and salaries	16,739,531	15,967,128
Agency costs	836,183	1,342,948
Social security costs	1,183,360	1,127,464
Pension costs	492,087	494,215
Termination and redundancy costs	98,004	29,035
	<u>19,349,165</u>	<u>18,960,790</u>

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

	Number of actual employees 2021	Number of actual employees 2020
Management	29	30
Administration	45	46
Operational	915	875
	<u>989</u>	<u>951</u>

Number of employees whose emoluments amounted to over £60,000 in the year were as follows:

	2021	2020
£60,000 to £70,0000	1	0
£80,000 to £90,000	4	4
£110,000 to £120,000	0	1
£120,000 to £130,000	1	0
	<u>6</u>	<u>5</u>

Retirement benefits are accruing under a defined contribution scheme for these six employees (2020: five). Total contributions paid in year for the six employees was £72,035 (2020: £70,136).

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

There are also defined benefit pension schemes, which are disclosed in Note 24.

TERMINATION AND REDUNDANCY COSTS

£98,004 has been paid in redundancy costs due to a restructure and contracts being downsized or ended.

TRUSTEE EXPENSES

Professional indemnity insurance has been taken out on behalf of Trustees at a cost of £1,000 (2020 - £1,000).

The secretarial and administrative cost of the Board of Trustees was £14,891 (2020 - £25,395) for the nine Trustees in post (2020 – eleven). Within this total an amount of £72 was paid to Trustees as expenses (2020 - £1,048).

No remuneration was paid to any trustee this year (2020 also nil).

KEY MANAGEMENT COSTS

Key management personnel for the charity is made up of unpaid Trustees and the five strong Executive Management Team. The total employee benefits of the Executive Management Team was £478,014 (2020 - £453,136).

13. TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

	Assets under construction	Freehold land and buildings	Long leasehold property	Fixtures and equipment	Motor vehicles	Total tangible fixed assets
	£	£	£	£	£	£
Cost						
As at 1 April 2020	890,652	7,607,708	2,259,226	249,305	114,620	11,121,511
Additions	1,000	669,140	0	178,943	0	849,083
Disposals	(5,660)	(688,374)	0	(46,728)	(58,791)	(799,553)
Transfer	(884,992)	884,992	0	0	0	0
As at 31 March 2021	1,000	8,473,466	2,259,226	381,520	55,829	11,171,041
Accumulated depreciation						
As at 1 April 2020	0	1,560,323	1,565,289	200,122	77,420	3,403,154
Charge for the year	0	139,758	71,082	49,480	11,566	271,886
Disposals	0	(268,374)	0	(46,728)	(58,791)	(373,893)
Transfers	0	0	0	0	0	0
As at 31 March 2021	0	1,431,707	1,636,371	202,874	30,195	3,301,147
Net book value						
As at 31 March 2021	1,000	7,041,759	622,855	178,646	25,634	7,869,894
As at 31 March 2020	890,652	6,047,385	693,937	49,183	37,200	7,718,357

Freehold land and buildings include a specific property with a net book value of £707,548 (2020 - £730,816). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

Long leasehold include a specific property with a net book value of £72,432 (2020 - £97,910). The title deeds of this property contain provision such that on any eventual sale all the proceeds should be remitted to the relevant Health Authority.

14. STOCKS

	2021	2020
	£	£
Equipment, publications and goods for resale	461	477

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	1,783,734	2,172,553
Other debtors	44,343	4,672
Prepayments and accrued income	889,929	913,865
	2,718,006	3,091,090

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	344,485	302,128
Other creditors	364,684	503,145
Accruals	797,500	514,798
Deferred income	1,288,615	639,738
Taxation and social security	362,998	329,398
	3,158,282	2,289,207

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2021	2020
	£	£
Balance at 1 April	639,738	638,730
Fees deferred in the year	1,288,615	639,738
Fees released from previous years	(639,738)	(638,730)
Balance at 31 March	1,288,615	639,738

Deferred fees relate to income received in the current year for work to be undertaken in future years.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Tangible fixed assets	7,088,915	780,979	7,869,894	6,889,631	828,726	7,718,357
Intangible fixed assets	0	0	0	0	0	0
Stock and debtors	2,718,467	0	2,718,467	3,091,567	0	3,091,567
Cash at bank (including short term investments)	11,140,825	225,181	11,366,006	9,138,224	164,791	9,303,015
Current liabilities	(3,158,282)	0	(3,158,282)	(2,289,207)	0	(2,289,207)
Pension liability	(163,000)	0	(163,000)	(87,000)	0	(87,000)
Total	17,626,925	1,006,160	18,633,085	16,743,215	993,517	17,736,732

19. TRUSTEES

The company is limited by guarantee but not having any share capital and is registered as a charity under the Charities Act 2011.

The liability of each trustee is limited to £1 (2020 - £1).

Nine people served as Trustees in year (2020 - eleven).

20. STATEMENT OF FUNDS

	As at 1 st Apr 2020	Income	Expenditure	Transfer	Investment gains or losses	Balance 31 st Mar 2021
	£	£	£	£	£	£
Unrestricted funds						
General funds	12,321,299	27,407,798	(26,451,088)	71,079	(73,000)	13,276,088
Designated funds						
Operating cost reserve	4,421,916	0	0	(71,079)	0	4,350,837
Total unrestricted funds	16,743,215	27,407,798	(26,451,088)	0	(73,000)	17,626,925
Restricted funds						
Land and buildings	828,727	0	(47,747)	0	0	780,980
Revenue grants	164,790	163,622	(103,232)	0	0	225,180
Total restricted funds	993,517	163,622	(150,979)	0	0	1,006,160
Total funds	17,736,732	27,346,265	(26,376,912)	0	(73,000)	18,633,085
	As at 1st Apr 2019	Income	Expenditure	Transfer	Investment gains or losses	Balance 31st Mar 2020
	£	£	£	£	£	£
Unrestricted funds						
General funds	11,892,796	26,876,916	(26,356,946)	(124,467)	33,000	12,321,299
Designated funds	0	0	0	0	0	0
Operating cost reserve	4,297,449	0	0	124,467	0	4,421,916
Total unrestricted funds	16,190,245	26,876,916	(26,356,946)	0	33,000	16,743,215
Restricted funds						
Land and buildings	876,473	0	(47,746)	0	0	828,727
Revenue grants	129,227	162,372	(126,809)	0	0	164,790
Total restricted funds	1,005,700	162,372	(174,555)	0	0	993,517
Total funds	17,195,945	27,039,288	(26,531,501)	0	33,000	17,736,732

21. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2021 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2021 £	2020 £
Operating lease commitments which are owed:		
Within one year	121,671	103,494
In two to five years	40,445	34,623
After five years	0	0
	162,116	138,117

PENSION

There are no defined contribution pension commitments not included in the balance sheet at the year end. See retirement Benefit Scheme note for details of defined benefit pension commitments.

22. RESTRICTED FUNDS

	Balance 31st Mar 2020	Incoming resources	Outgoing resources	Balance 31st Mar 2021
	£	£	£	£
Ashwood Court building	587,532	0	(23,269)	564,263
Ashwood Court land	143,284	0	0	143,284
Kingshill building	97,910	0	(24,478)	73,432
Palmyra grant	113,727	117,372	(59,702)	171,397
Carer Support Service Bolton grant	45,647	46,250	(43,530)	48,367
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	993,517	163,622	(150,979)	1,006,160

Ashwood Court land and buildings relates to a CQC registered care home and hospital.

Kingshill building is a CQC registered care home.

Palmyra grant is a health grant used to cover scheme deficits incurred.

Bolton CSW is money paid for delivering support to carers.

Bradford carer breaks is money paid to deliver breaks to carers.

Bradford carer training is money paid to deliver training to carers.

	Balance 1st Apr 2019	Incoming resources	Outgoing resources	Balance 31st Mar 2020
	£	£	£	£
Ashwood Court building	610,800	0	(23,268)	587,532
Ashwood Court land	143,284	0	0	143,284
Kingshill building	122,388	0	(24,478)	97,910
Palmyra grant	70,185	117,372	(73,830)	113,727
Carer Support Service Bolton grant	53,626	45,000	(52,979)	45,647
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	1,005,700	162,372	(174,555)	993,517

23. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Cash	4,716,208	3,202,515
Investments	6,649,798	6,100,500
Trade debtors	1,783,734	2,172,553
Other debtors	44,343	4,672
	<u>13,194,083</u>	<u>11,480,240</u>

FINANCIAL LIABILITIES

	2021	2020
	£	£
Trade creditors	344,485	302,128
Other creditors	364,684	503,145
Accruals	797,500	514,798
	<u>1,506,669</u>	<u>1,320,071</u>

Reconciliation of net debt

Reconciliation to net cash flow to movement in net debt	At 1 April 2020	Cash flows	Other changes	At 31 March 2021
	£	£	£	£
Cash and cash equivalents	3,202,515	1,513,693	0	4,716,208

24. RETIREMENT BENEFIT SCHEMES

Making Space operates nine pension schemes:

- (a) Five defined contribution personal pension schemes for employees not eligible to join the defined benefit schemes. The assets of these schemes are held separately from those of the Charity in funds under the control of Trustees. Contributions to the schemes are charged to the statement of financial activities when payable. The pension cost charge for the year in relation to these schemes amounted to £444,153 (2020 - £434,165).
- (b) National Health Service pension fund. This is a defined benefit pension scheme for all eligible employees. The assets of the Scheme are held separately by their National Health Service Superannuation Scheme. Contributions to the scheme are charged to the SOFA to spread the cost over the service lives of employees in the scheme. The pension scheme does not have a pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government. This extra cost is not met by contributions from Scheme members and employers. Contributions from both members and employers are paid to the Exchequer, which meet the costs of increasing benefits each year by the rate of inflation. Because of the nature of the pension scheme there are no separately identifiable assets and liabilities which can be identified as relating to Making Space, therefore as permitted by FRS 102, the scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £7,800 (2020: £9,224).
- (c) West Yorkshire Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements all additional contribution requirements are met by the funding authority. As a result of the nature of the contract this scheme is accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £0 (2020:£0).
- (d) The Lincolnshire Local Government Pension Fund. This is a defined benefit pension scheme for all eligible employees, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. The scheme is now closed to new membership from the Charity. The pension cost charge for the year amounted to £10,124 (2020: £11,456). The pension scheme has separately identifiable assets and liabilities relating to Making Space. The last full actuarial valuation was carried out as at 31st March 2017.
- (e) Darlington Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements, the funding authority meets all additional contribution requirements. Because of the

nature of the contract agreement, this scheme has been accounted for as a defined contribution scheme.

The pension cost charge for the year amounted to £26,919 (2020: £26,371).

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£'000	£'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	448	487
Transfer in acquired scheme obligation	0	0
Current service cost	11	22
Interest cost	10	12
Contributions by scheme participants	2	3
Actuarial losses	144	(72)
Benefits paid	(27)	(4)
	<hr/>	<hr/>
At the end of the year	588	448
	<hr/>	<hr/>
	2021	2020
	£'000	£'000
Schemes wholly or partly funded	588	448
	<hr/>	<hr/>
Reconciliation of fair value of plan assets		
At the beginning of the year	361	380
Transfer in acquired scheme assets	0	0
Interest income on plan assets	8	10
Actuarial gains	71	(39)
Contributions by group	10	11
Contributions by scheme participants	2	3
Benefits paid	(27)	(4)
	<hr/>	<hr/>
At the end of the year	425	361
	<hr/>	<hr/>
	2021	2020
	£'000	£'000
Fair value of plan assets	425	361
Present value of plan liabilities	588	448
	<hr/>	<hr/>
Net pension scheme liability	(163)	(87)

	2021 £'000	2020 £'000
Amounts recognised in the profit and loss amount are as follows:		
Included in administrative expenses:		
Current service cost	11	22
	<u>11</u>	<u>22</u>

	2021 £'000	2020 £'000
Amounts included in other finance costs		
Net interest cost	2	2
	<u>2</u>	<u>2</u>

	2021 £'000	2020 £'000
Analysis of actuarial loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	71	(39)
Deficit on transfer of scheme	0	0
Changes in financial assumptions	(144)	72
Changes in demographic assumptions	0	0
Other experience	0	0
	<u>(73)</u>	<u>33</u>

	2021 £'000	2020 £'000
Composition of plan assets – Lincolnshire LGPF		
European equities	305	235
European bonds	59	83
Property	44	40
Cash	17	3
	<u>425</u>	<u>361</u>

	2021 £'000	2020 £'000
Actual return on plan assets	79	(29)

	2021	2020
	%	%
Principal actuarial assumptions used at the balance sheet date		
Discount rates	2.05	2.3
Future salary increases	3.15	2.1
Future pension increases	2.85	1.8
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates:		
- for a male aged 65 now	21.1	21.4
- at 65 for a male member aged 45 now	22.0	22.4
- for a female aged 65 now	23.6	23.7
- at 65 for a female member aged 45 now	25.0	25.2

25. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year

.

The following Trustees received reimbursed expenses for the year-end 31st March 2021:

Alan Teague £72.00

Key management personnel and trustee remuneration (£0) is covered in earlier notes.

26. POST BALANCE SHEET EVENTS

There are no post balance sheet events.