



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

Annual Report & Financial Statements

For the year ended 31st March 2022

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Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Chairman and Chief Executive Officer Introduction

This is the year that as a society we slowly started to come out of lockdown following the global pandemic. Our workforce have continued to adapt positively and creatively to the ever changing working conditions that they are faced with. For the people we support there have been times of great uncertainty but also many moments of personal success and achievement. For Making Space this year we have faced different challenges to deal with and also reached some major milestones with our strategic plan.

As an organisation we have a long history in delivering regulated services and we have always been proud of our CQC ratings, with the majority of our regulated services being rated as overall good, with some having at least one key line of enquiry rated as outstanding. This year that changed for us as an organisation and we had to face the difficult situation of de-registering one of our specialist regulated services and received inadequate ratings in two other services. This year we have been working closely with our relationship manager at CQC to address the concerns that have been raised in these services and we deeply regret that our standards of care were not been good enough in some areas.

We are resolute that we will learn from the experience we have had with our regulated services this year. We have already begun to make the changes needed to ensure that we are providing the high standards of care we expect of ourselves, that the people we support deserve and that the CQC are accustomed to from our charity.

We set ourselves a number of milestones to reach in our strategic plan for 2020 to 2024 and this year we achieved some key success in each of our four strategic pillars.

A major goal for our Co-production pillar was to increase the diversity of volunteer roles throughout Making Space to ensure that they are person centred and life enriching. The challenge of delivering this goal as we came out of lockdown meant that our focus this year was to keep volunteers connected, supported and designing new approaches to volunteering. Whilst some of our volunteer roles were affected by the need to prevent the spread of Covid, other roles were enhanced and developed. Making Space continues to enjoy the support of over 300 volunteers in our organisation, with more than half of this number being people we support volunteering either in their service or in their local community.

Project Shine embedded our strategic pillar to improve our digital capability as a health and social care provider. An ambitious programme of work to transfer our operational teams over to a new case management system called Nourish has been the main focus for Project Shine this year and all services are required to be on our new system will be by Autumn 2022. Nourish will be a key tool in providing even greater assurance about the positive impact Making Space has on the wellbeing of the people we support. Our teams who are already using the system report that they love it for its simplicity to access great care plans and its ability to be completed alongside the person they are supporting. The feedback from the people we support has been that they feel more involved in their care planning and they enjoy some of the features which enable them to capture their successes and achievements in different formats.

We achieved a number of key milestones in our strategic pillar to provide care designed for the future. This included the launch of two new supported living services, one in Warrington and one in Stockport, that have been designed to safely support people who are ready to be discharged from hospital to receive some intensive support before either going home or moving on to a new housing option. In addition we have invested some of our reserves in the purchase of properties to extend our provision of housing and support for people with a learning disability within the heart of their local communities.

Our final strategic pillar is for us to have a committed and dedicated workforce, one where the people who we employ feel aligned and attuned to our values. We have updated our recruitment process, our performance management process and our reward and recognition platform to align to reflect our values. This year we launched our Living our Values (LoV) Awards, a new monthly award that recognises our colleagues and volunteers for living our values.

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We have completed a midpoint review of our strategic plan and our focus is now upon delivering the goals that we have set ourselves, addressing the areas for improvement with a commitment to the people we support at the heart of our plans, and to start to consider our strategic plan beyond 2024. It has been a year of huge change, one we will learn from and I cannot understate my gratitude to the people we support, our volunteers and work colleagues and the Board of Trustees for all of their commitment to the organisation in this last twelve months.

Charity Objects and Public Benefit

The objects of the Charity are the relief of people who are in need by reason of any physical or mental illness or disability arising from age, accident, disease or infection, including but without limitation learning disabilities and dementia and the relief of their families and carers.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Activities for 2021-22 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.

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.

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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.

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.

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

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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

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.

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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.

- **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 seven 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.

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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

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People we support

In the last twelve months we have supported 11,245 (2021: 10,192) people across the country accessing the following services:

Service Type	No. of people using the services
Psychological Wellbeing Services	2,874
Community Based Dementia Services	2,406
Social Inclusion/Day Services	2,143
Carer Support	1,747
Support Accommodation Provided	682
Support Accommodation Not Provided	513
Extra Care (CQC Registered)	443
Care Homes Without Nursing (CQC Registered)	257
Employment Advice	103
Nursing Homes (CQC Registered)	42
Independent Hospitals	35
Total	11,245

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 the year we have seen an increase in volunteer numbers to 347 from the previous year's figure of 299. This reflects people's confidence to return to volunteering activities following the easing of COVID restrictions.

Strategic Activities and Key Performance Measures

Key deliverables for the year to 31 March 2022 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.

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- **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 in place a life assurance benefit which started in April 2022.

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.

- **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 are summarised below.

Key Performance Indicators

Performance against our Key Performance Indicators for 2021-2022 is summarised below:

KPI	Benchmark	Target	Actual	Narrative
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.	90%	Nourish implementation continues to be on track for full implementation by December 2022.
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.	91%	There are 22 CQC registered services. Monet Lodge was rated as Inadequate in February 2021. In June 2021 Kingshill was rated as Requires Improvement.
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.	91%	During this year community and social support services have moved to full uptake following the removal of

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				COVID restrictions, though the vast majority of services continued operating throughout this period.
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.	40%	The number of services with Making it Real plans in place is steadily increasing.
5. Connecting people to their communities and others through volunteering.	% of services with volunteer roles, actual versus plan.	80% and above.	48%	There has been an increase in volunteers numbers as people feel more confident to re-engage follow the COVID restrictions.
6. Listening to the people we support to improve our services.	% of services with service user feedback mechanisms in place.	80% and above.	90%	Services have a wide range of processes and engagement tools in place to gain feedback to continually improve services for the people we support.
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.	12.3%	Vacancies have significantly increased from 6.9% at the start of the year following the COVID pandemic across the social care sector. Whilst we are managing to recruit a number of new recruits the increase in leavers has compounded this issue further.
8. Have a workforce that feels valued and rewarded.	Turnover % compared to 2020 Skills for Care Report of 30.4%.	25% and below.	34.8%	Turnover increased from 22.8% at the start of the year to 34.8% at year end. As above the COVID pandemic has significantly impacted upon

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				leavers. This has started to improve though towards the end of the year.
9. Develop our people's 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.	44.2%	The increased levels of vacancies and leavers this year has impacted upon staff working towards qualifications as well as losing qualified staff, We have increased supply and accessibility and are starting to see this improve.
10. Maintain our financial viability.	Achieve agreed annual budget surplus of £1,173,249.	Better than budget.	Actual deficit of £493,658	The main driver for this negative performance was the £1,415,317 deficit made at Monet Lodge Independent Hospital. Significant money was spent on this service following a CQC Improvement notice. However this investment in time and money did not successfully resolve the quality issues at this hospital and the hospital closed on 31 st March 2022.
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.	Income has increased from £27.6m to £31.6m	Increased income by 14.5%

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.

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Financial Review

Despite the pressures associated with coming out of the COVID-19 pandemic across the Charity, financial and otherwise, we continued to deliver on our Strategic Plan 2020-2024 by investing in our people and care improving technology. In year a commitment to at least pay the Real Living Wage was made together with above inflation rises for nursing and key management roles.

Our operating deficit for the year was £656,658 which does not compare well to our prior year operating surplus of £969,353. The key driver to this negative movement in financial performance is the £1,415,317 deficit generated by Monet Lodge Independent Hospital which closed on 31st March 2022. Quality reviews of all other CQC registered services together with the independent 'lessons learnt' report on Monet should help ensure such a large financial deficit is not incurred by any of our services again.

Our total income rose from £27,571,420 in 2020-21 to £31,581,300 in 2021-22 which represents an increase of 14.5%. This increase in income was driven by tender successes after the reopening of services post COVID-19.

Total expenditure before gains and losses rose from £26,602,067 to £32,237,959 which represents an increase of 21.2%. In large part this increase in one off costs associated with the final year of operation and closure of Monet Lodge Independent Hospital. However it should also be noted that our commitment to paying the Real Living Wage and increasing the pay of other key roles in order to help address the staffing crisis in Social Care is likely to suppress surpluses to at best break even in the short term.

There was an overall net decrease in funds from £18,633,085 to £18,139,426. The deficit on our defined benefit pension schemes fell from £163,000 to nil. This is due to our final employee in the Lincolnshire Local Authority Pension leaving and confirmation that no further payments are due from us.

Reserves and Going Concern

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. Our reserves policy at the time of last year's report was to maintain an emergency operating reserve as a cash balance of two months expenditure which equalled £4,350,837. Our policy was to invest any free reserves over the emergency operating reserves into new services.

In response to the reserves expended in Monet Lodge Independent Hospital's final year of operation the decision has been made to stop buying or developing new properties until there is a clearer picture of how the current cost of living crisis is going to impact on our finances. One new service with a potential development cost of £1.5m may continue but no further property purchases will take place until we know Council and NHS funding is going to be impacted by current high inflation rates.

Our balance of cash and short-term investments as at 31 March 2022 was £10,764,469. As of this date the two month emergency operating reserve was £5,323,042. Under last year's reserves policy £5,441,427 would have therefore been free to invest in new services. As stated above only a maximum of £1,500,000 will be spent on purchasing new property until there is a clearer picture of how inflation is going to impact our finances. A new planned maintenance reserve has been set up this year which currently stands at £82,799. The £5,441,427 of available reserves therefore need to be reduced by the possible £1,500,000 investment together with the planned maintenance reserve of £82,799 giving excess reserves £3,858,628. Prudence dictates that any plans to spend these are put on hold until a budget for 2023-24 and forecasts for future years are thoroughly reviewed and agreed.

An updated reserves policy will be agreed in 2023-24 which takes account of financial challenges facing the social care sector. As a stop gap we are adopting a safety first approach so that any going concern worries are minimised.

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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.

Subsidiaries

Footsteps 2000 Ltd became Making Space's first subsidiary on 1st April 2021. Footsteps 2000 Ltd made a deficit of £16,768 on income of £72,884 in the year to 31st March 2022. Footsteps has a bank balance of £81,483 with a net assets balance of £17,581.

Making Space has not produced consolidated accounts due to the comparatively immaterial size of the finance of Footsteps 2000 Ltd.

Fundraising Practices

Making Space employs a Fundraising Manager and a Fundraising Coordinator. Both these employees are given delegated authority to make grant applications on the charity's behalf and to promote public appeals, events and challenges. Our employed fundraisers also encourage other Making Space employees, volunteers and supporters to raise funds for the charity. We do not engage a professional fundraiser or a fundraising agency.

The charity is registered with the Fundraising Regulator and follows the regulator's Fundraising Code. To our knowledge we have complied fully with all regulatory fundraising standards.

Those employees, volunteers and supporters who are encouraged to fundraise for us are offered guidance, advice and supervision from our Fundraising Manager and Coordinator.

No complaints have been received concerning fundraising.

We have acted to protect vulnerable people during our fundraising activities by ensuring potential donors understand what they are donating to and how the money will be spent. We avoid fundraising in a setting where people may lack capacity to make a decision. Consequently we do not seek to fundraise from service users but instead target family, friends and the general public. Donations are recorded and when thanked for their donation checks are made to ensure donors understand the purpose to which their gift will be put. If we have any suspicions that a donation was not freely then the donation will be returned. We never pressurise people into making a donation.

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.

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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.

Significant risks and mitigating actions are outlined below:

Poor quality support putting service users at risk which may also result in CQC enforcement action possibly resulting in significant financial loss and reputational damage

- Commissioned a 'root cause analysis' report from The Good Governance Institute on the failures at Monet Lodge Independent Hospital so that mistakes are not repeated. Failings at Monet raised concerns regarding the quality in other Making Space services.
- Restructured the Senior Leadership Team in order to enhance line management of our services.
- Moving to a functional management structure under which services are managed by specialists in the type of support given.
- Undertaking an independent audit by former CQC inspectors in order to identify and address any quality and governance issues.

Failure of funding to keep pace with inflation costs driven energy costs

- Benchmark our services using industry standard pricing tools in order to help ensure services are as cost effective as possible and prices can be defended to Commissioners.
- Put plans to use free reserves on hold until the full extent of the impact of inflation on our finances is known.
- Freeze on head office recruitment until budget for 2023-24 is agreed.
- Work with services where agency use is high in order to understand the reasons for such a high dependence on agency staffing and put remedial measures in place.

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.

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Energy and Carbon Reporting

Making Space recognises the challenges presented by climate change and the responsibility it has in reducing the negative impact the charity has on the environment. We are committed to reducing our energy and fuel use as well as waste. An action plan will be agreed in 2022-23 which addresses each of these areas.

This is our first year of environmental impact reporting and as such will present figures for the year 1st April 2021 to 31 March 2022 which are in line with our financial reporting period.

Carbon Footprint (Greenhouse gas emissions)

Type of emission	Activity	2021-22
		tCO ₂ e
Direct (Scope 1)	Gas	384
Energy Indirect (Scope 2)	Electricity	174

Intensity metric		
Number of employees		989
Tonnes of CO ₂ e		0.56

Assessment parameters

Environmental lead	Wyn Jones, Chief Finance Officer
Methodology used	UK Government Green House Gas conversion factors for company reporting

Our Plans for 2022-23

We will:

- Reinstale the annual trustee awards event.
- Agree an environmental action plan.
- Complete the implementation of the Nourish Care Management System.
- Benchmark Making Space service costs against industry standards so as to ensure a value for money offer to Commissioners.
- Improve leadership, governance and oversight of CQC registered services.
- Carry out a Trustee skills audit
- Imbed an integrated governance framework

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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 – resigned 23 Jun 2022
A Broadhurst	
W Bonnefin	Appointed 18 Nov 2021 Resigned 24 Aug 2022
N Hormozi	
S Humphreys	Resigned 10 May 2022
S Hull	Resigned 21 Feb 2022
M Jenkinson	Resigned 8 Dec 2022
E Johnstone	Appointed Chair 23 Jun 2022
K Porceddu	
K Wykes	Appointed 18 Nov 2021

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

Solicitors

Hempsons Limited
100 Wood Street
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EC2V 7AN

Anthony Collins Solicitors LLP
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Auditor

Mazars LLP
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Bankers

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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, 6 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 Chair chose not to receive payment in the year to 31st March 2022.

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Employee Engagement

The COVID pandemic has impacted significantly upon our progress with our People Plan as we have been required to respond to unprecedented workforce issues during the year. We have though continued to progress on a number of people related areas.

The COVID pandemic has had an unprecedented effect upon our workforce. To recognise this we have maintained full occupational sick pay for any colleague being required to self-isolate during the year. Additionally, in March 2022 we also made a £100 retention bonus to recognise the extraordinary efforts of our colleagues.

In December 2021 the board committed to significantly increase the pay of our colleagues on the lowest levels of pay, whilst at the same time addressing eroding pay differentials between more senior levels. This resulted in pay being increased in two steps in January 2022 and April 2022. Overall 85% of colleagues received between a 3.9% and a 9.2% pay increase.

Building upon our 2021 Employee Engagement survey we carried out several listening events for colleagues and managers to develop a more qualitative understanding of some of the findings. This included fair treatment at work, leadership and reward. This learning has been used to inform our action plan, including revising our whistleblowing policy, improving rewards and specifically improving pay further, communication and our leadership programme.

We have also continued to embed our values through the introduction of a revised performance development and review policy and the introduction of our Living our Values Awards, which were introduced in April 2021. The awards have been well received and we get a number of nominations, then selecting a monthly winner. One of the people we support has participated as a judge throughout the last year to help us to choose the winners.

We have furthered the improvements in communications we made during the previous year with a monthly video update from our CEO Rachel Peacock.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year. We were delighted to have won several regional eves at the Great British Care Awards and at the National finals we were a highly commended runner up for Care Employer of the Year.

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

Footsteps 2000 Ltd which is a carers service specialising in supporting the families of those impacted by addiction became a subsidiary of Making Space on 1st April 2021.

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

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's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,849 (2021: £56,843).

Statement of Compliance with Section 172 (1) Companies Act 2006

The board of Trustees of Making Space consider that both individually and together for the year ended 31st March 2022 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and having regard to the matters set out in s.172 (1) (a) to (f) as below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Charity's employees;
- c) The need to foster the Charity's business relationships with suppliers, customers and others;
- d) The impact of the Charity's operations on the community and the environment;
- e) The desirability of the Charity maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of the Charity.

- a) The likely consequences of any decision in the long term:

The trustees acknowledge that all the decisions they take should have regard to the long term interests of the Company and its stakeholders. The impact of any decision is discussed and one of the factors weighted in that discussion is its lasting implications.

- b) The interests of the Charity's employees:

The trustees affirm that the Charity cannot function without the goodwill, hard work and dedication of its employees. It knows that the key to maintain this relationship lies in ensuring that the employee's interests align with those of the Charity. The Charity regularly seeks the views of its staff. Regular updates on company news and performance is shared with all employees.

The Charity also carries out frequent benchmarking exercises where it measures itself against other employers to ensure that it continues to be seen as an employer of choice by prospective candidates. These assignments examine the salaries and other benefits offered by competitors in the same or similar employment markets. Making Space is committed to at least paying the real living wage.

Trustees' Annual Report Incorporating the Directors' and Strategic Report

- c) The need to foster the Charity's business relationships with suppliers, customers and others:

The trustees recognise that one of their core responsibilities is to encourage the development of its connections with suppliers and customers. Employees are expected that part of their duties is to maintain good relationships with its partners outside the organisation and that this is crucial to the success of the Company. Managers are expected to foster positive working relationships with NHS and Local Authority commissioners. Users of our services are regularly asked for feedback on the quality of the services we deliver. A service user led Making Change Group undertakes quality audits and feeds into service development and improvement.

- d) The impact of the Company's operations on the community and the environment:

The trustees know that the Making Space services need to contribute positively to the communities in which they operate. Both Making Space service users and employees are encouraged to volunteer for good causes in their localities.

The Charity also ensures that it complies with best practice where possible to minimise its environmental affect in all arenas.

- e) The desirability of the Charity maintaining a reputation for high standards of business conduct

The trustees of the Charity recognise their important duty to ensure that the Charity complies with the laws and regulations. The directors understand that reputational damage is a major risk to the Charity and strive to ensure that the policies and practices to avoid and mitigate this risk are of the highest standard.

The Charity also takes very seriously the need to pay its suppliers on time as a means of maintaining its standing in the sector.

- f) The need to act fairly between members of the Charity:

The trustees know that the Charity needs to pay regard to the interests of its members equally. It also recognises that there will be occasions when the interests of members are in conflict and that any contest should be resolved in a way that balances those competing interests. Member views are sought if such a situation arises, and any decision taken is documented and explained in an open and accountable way so that all the members can see what actions were taken to reach a settlement.

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



Elaine Johnstone

Chair of Trustees

Date: 28 November 2022

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



Elaine Johnstone

Chair of Trustees

Date: 28 November 2022

Independent Auditor's Report to the Members of Making Space

Opinion

We have audited the financial statements of Making Space (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Making Space

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' 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 included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of Making Space

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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, income recognition, fixed asset depreciation and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Making Space

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (Dec 21, 2022 19:01 GMT)

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 21-Dec-2022

Statement of Financial Activities

(Incorporating the summary income and expenditure account)

Year ended 31 March 2022

	Note	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		89,287	0	89,287	142,750
Charitable activities	2,8	31,250,436	162,372	31,412,808	27,351,519
Other trading activities	3	8,040	0	8,040	4,020
Investments	4	47,180	0	47,180	67,360
Other	5	23,985	0	23,985	5,771
TOTAL INCOME AND ENDOWMENTS		31,418,928	162,372	31,581,300	27,571,420
RESOURCES EXPENDED					
Charitable activities	7,8,10	32,070,314	167,645	32,237,959	26,602,067
TOTAL EXPENDITURE		32,070,314	167,645	32,237,959	26,602,067
(EXPENDITURE)/INCOME BEFORE GAINS/(LOSSES)		(651,385)	(5,273)	(656,658)	969,353
Actuarial gains/(losses) on defined benefit pension schemes	25	163,000	0	163,000	(73,000)
NET MOVEMENT IN FUNDS		(488,385)	(5,273)	(493,658)	896,353
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		17,626,925	1,006,160	18,633,085	17,736,732
TOTAL FUNDS CARRIED FORWARD	20	17,138,539	1,000,887	18,139,426	18,633,085


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 2022

	Notes	2022 £	Restated 2021 £
FIXED ASSETS			
Tangible assets	13	8,304,026	7,869,894
Investments, cash and cash equivalents		7,552,395	6,649,798
TOTAL FIXED ASSETS		<u>15,856,421</u>	<u>14,519,692</u>
CURRENT ASSETS			
Stock	14	0	461
Debtors	15	3,846,572	2,718,006
Cash at bank and in hand		3,212,074	4,716,208
TOTAL CURRENT ASSETS		<u>7,058,646</u>	<u>7,434,675</u>
LIABILITIES			
Creditors: amounts falling due within one year	16	(4,775,641)	(3,158,282)
NET CURRENT ASSETS		2,283,005	4,276,393
TOTAL ASSETS LESS CURRENT LIABILITIES		18,139,426	18,796,085
Defined benefit pension scheme liability	25	0	(163,000)
TOTAL NET ASSETS		<u>18,139,426</u>	<u>18,633,085</u>
THE FUNDS OF THE CHARITY			
Restricted funds	18, 20, 22	1,000,887	1,006,160
Unrestricted funds	18, 20	17,138,539	17,626,925
TOTAL CHARITY FUNDS	20	<u>18,139,426</u>	<u>18,633,085</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 22nd November 2022 and signed on its behalf by:



Elaine Johnstone

Chair of Trustees

Date of Signing: 28 November 2022

Cash Flow Statement

Year Ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by operating activities	85,122	2,419,054
Cash flows from investing activities:		
Dividends, interest and rents from investments	47,180	67,360
Proceeds from the sale of property, plant and equipment	1,000	425,660
Purchase of property, plant and equipment	(734,839)	(849,083)
Proceeds from sale of investments	(902,597)	(549,298)
Net cash (used in)/provided by investing activities	(1,504,134)	1,513,693
Change in cash and cash equivalents in the reporting period	(1,504,134)	1,513,693
Cash and cash equivalents at the beginning of the reporting period	4,716,208	3,202,515
Cash and cash equivalents at the end of the reporting period	3,212,074	4,716,208

Reconciliation of net (expenditure)/income 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)	(493,658)	896,353
Adjustments for:		
Depreciation charges	299,708	271,886
Dividends and interest from investments	(47,180)	(67,360)
Deficit on sale of fixed assets	0	0
Decrease in stocks	461	16
(Increase)/decrease in debtors	(1,128,567)	373,084
Increase in creditors	1,617,358	869,075
(Increase)/decrease in pension liability	(163,000)	76,000
Net cash provided by operating activities	85,122	2,419,054

Analysis of cash and cash equivalents	Current Year £	Prior Year £
Cash in hand	3,212,074	4,716,208
Notice deposits (less than 3 months)	0	0
Overdraft facility repayable on demand	0	0
Total cash and cash equivalents	3,212,074	4,716,208

Notes to the Financial Statements

For the Year Ended 31 March 2022

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

Trustees are aware that the current high rate of inflation and recruitment problems for social care make for a very challenging public sector funding environment going forward. The government is already consulting on a cap on social housing rents of 3%, 5% or 7%. The government's preferred option of 5% would result in an income reduction of about £300,000 in the customary increase in rental income. Prudence dictates that Making Space plans for other public sector funding failing to keep pace with inflation. Scenario planning where the key risks associated with inflationary fee uplifts and agency costs will form a key part of the 2023-24 budget setting process. In the interim Trustees have taken the decision to cease investing in new property purchases. Prior years' positive financial performance has resulted in Making Space having a strong balance sheet with cash and investment balances totalling £10,764,469.

This cash balance is sufficient to offset forecast operating deficits in the medium term.

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:

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.

Notes to the Financial Statements For the Year Ended 31 March 2022

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 to 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.

Notes to the Financial Statements For the Year Ended 31 March 2022

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.

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

Notes to the Financial Statements For the Year Ended 31 March 2022

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 no longer valued due to the low value of stocks held.

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.

Notes to the Financial Statements For the Year Ended 31 March 2022

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.

Notes to the Financial Statements For the Year Ended 31 March 2022

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Head Office	0	0	0	5,161	0	5,161
Residential care homes and independent hospitals	10,783,415	117,372	10,900,787	9,313,258	117,372	9,430,630
Social inclusion services	1,459,652	0	1,459,652	1,554,092	0	1,554,092
Improve access to psychological therapies	462,890	0	462,890	350,505	0	350,505
Carer support	1,040,269	45,000	1,085,269	458,293	46,250	504,543
Community dementia services	511,948	0	511,948	780,860	0	780,860
Supported housing	12,668,416	0	12,668,416	10,972,412	0	10,972,412
Home care services	4,323,846	0	4,323,846	3,528,161	0	3,528,161
Furlough	0	0	0	225,155	0	225,155
Total	31,250,436	162,372	31,412,808	27,187,897	163,622	27,351,519

3. INCOME FROM OTHER TRADING ACTIVITIES

	2022 £	2021 £
Rental income	8,040	4,020
	<u>8,040</u>	<u>4,020</u>

4. INCOME FROM INVESTMENTS

	2022 £	2021 £
Interest received	47,180	67,360
	<u>47,180</u>	<u>67,360</u>

5. OTHER INCOMING RESOURCES

	2022 £	2021 £
Sale of goods	5,170	0
Miscellaneous income	18,815	5,771
	<u>23,985</u>	<u>5,771</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

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 2022
	£	£	£	£	£
Head office	0	0	3,546,627	73,735	3,620,362
Residential care homes and independent hospitals	11,238,755	0	0	0	11,238,755
Social inclusion	1,214,014	0	0	0	1,214,014
Improve access to psychological therapies	423,478	0	0	0	423,478
Carer support	973,871	0	0	0	973,871
Community dementia support	460,104	0	0	0	460,104
Supported housing	10,250,901	0	0	0	10,250,901
Home Care Services	4,056,473	0	0	0	4,056,473
Total	28,617,596	0	3,546,627	73,735	32,237,958
Unrestricted	28,449,951	0	3,546,627	73,735	32,070,313
Restricted	167,645	0	0	0	167,645
Total	28,617,596	0	3,546,627	73,735	32,237,958
	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
Furlough scheme	225,155	0	0	0	225,155
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	26,602,067
Unrestricted	23,245,249	0	3,154,047	51,792	26,451,088
Restricted	150,979	0	0	0	150,979
Total	23,396,228	0	3,154,047	51,792	26,602,067

Notes to the Financial Statements For the Year Ended 31 March 2022

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
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Head office	0	3,546,627	(3,545,627)	5,161	3,154,047	(3,148,886)
Governance costs	0	73,735	(73,735)	0	51,792	(51,792)
Residential care homes and independent hospitals	10,900,786	11,238,755	(337,969)	9,430,630	8,457,785	972,845
Social inclusion	1,459,652	1,214,014	245,638	1,554,092	1,352,831	201,261
Improve access to psychological therapies	462,890	423,478	39,412	350,505	308,304	42,201
Carer support	1,085,269	973,871	111,398	504,543	441,845	62,698
Community dementia support	511,948	460,104	51,844	780,860	702,149	78,711
Supported housing	12,668,416	10,250,901	2,417,515	10,972,412	8,662,794	2,309,618
Extra care including homecare	4,323,846	4,056,473	267,373	3,528,161	3,245,365	282,796
Furlough	0	0	0	225,155	225,155	0
Total	31,412,807	32,237,958	(825,151)	27,351,519	26,602,067	749,452

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs	Support Costs	Governance costs	Total costs
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Chief Executive	171,601	0	171,601	198,306	0	198,306
Business Services	255,206	0	255,206	211,865	0	211,865
Finance	392,865	0	392,865	396,795	0	396,795
Development	271,634	0	271,634	266,623	0	266,623
IT	474,584	0	474,584	458,483	0	458,483
Human resources	593,244	0	593,244	476,524	0	476,524
Marketing	213,618	0	213,618	206,271	0	206,271
Quality assurance	380,748	0	380,748	375,503	0	375,503
Central management	203,956	0	203,956	236,213	0	236,213
Membership, Voluntary and User Inclusion	88,212	0	88,212	40,888	0	40,888
Other	500,959		500,959	286,576	0	286,576
Audit fees and accountancy costs	0	39,070	39,070	0	35,900	35,900
Trustee costs	0	33,666	33,666	0	14,892	14,892
Trustee indemnity insurance	0	1,000	1,000	0	1,000	1,000
Total	3,546,627	73,736	3,620,363	3,154,047	51,792	3,205,839

Notes to the Financial Statements For the Year Ended 31 March 2022

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total
	2022	2022	2022	2022
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	23,553,012	8,311,504	299,708	32,164,224
Governance costs	1,020	72,715	0	73,735
Total resources expended	23,554,032	8,384,219	299,708	32,237,959

	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

11. NET INCOMING/ (OUTGOING) RESOURCE

	2022	2021
	£	£
Net incoming resources for the year are stated after charging/(crediting): Rentals under operating leases	261,029	242,783
Depreciation of tangible fixed assets - owned	299,708	271,886
(Surplus)/deficit on disposal of fixed assets	0	0
Auditor's remuneration for the audit of the Charity's annual accounts	39,070	32,000

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2022	2021
	£	£
Staff costs comprise:		
Wages and salaries	18,405,891	16,739,531
Agency costs	3,017,881	836,183
Social security costs	1,353,073	1,183,360
Pension costs	534,165	492,087
Termination and redundancy costs	243,022	98,004
	23,554,032	19,349,165

Notes to the Financial Statements For the Year Ended 31 March 2022

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

	Number of actual employees 2022	Number of actual employees 2021
Management	28	29
Administration	50	45
Operational	1,001	915
	<u>1,079</u>	<u>989</u>

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

	2022	2021
£60,000 to £70,0000	0	1
£80,000 to £90,000	3	4
£110,000 to £120,000	1	1
	<u>4</u>	<u>6</u>

Retirement benefits are accruing under a defined contribution scheme for these four employees (2021: six). Total contributions paid in year for the four employees was £73,182 (2021: £72,035).

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

£243,022 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 (2021 - £1,000).

The secretarial and administrative cost of the Board of Trustees was £33,666 (2021 - £14,891) for the ten Trustees who served in 2022 (2021 – eight). Within this total an amount of £292 was paid to Trustees as expenses (2021 - £72).

No remuneration was paid to any trustee this year (2021 - 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 £532,352 (2021 - £478,014).

Notes to the Financial Statements For the Year Ended 31 March 2022

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 2021	1,000	8,473,467	2,259,226	381,520	55,829	11,171,042
Additions	300,991	265,688	93,883	48,250	26,028	734,840
Disposals	0	0	0	(130,241)	0	(130,241)
Transfer	(1,000)	0	0	0	0	(1,000)
As at 31 March 2022	300,991	8,739,155	2,353,109	299,529	81,857	11,774,641
Accumulated depreciation						
As at 1 April 2021	0	1,431,707	1,636,371	202,874	30,195	3,301,147
Charge for the year	0	158,525	73,586	52,597	15,000	299,708
Disposals	0	0	0	(130,241)	0	(130,241)
Transfers	0	0	0	0	0	0
As at 31 March 2022	0	1,590,232	1,709,957	125,230	45,195	3,470,614
Net book value						
As at 31 March 2022	300,991	7,148,923	643,152	174,299	36,662	8,304,027
As at 31 March 2021	1,000	7,041,759	622,855	178,646	25,634	7,869,894

Freehold land and buildings include a specific property with a net book value of £684,279 (2021 - £707,548). 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 £48,953 (2021 - £73,432). 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

	2022 £	2021 £
Equipment, publications and goods for resale	0	461

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	2,588,659	1,783,734
Other debtors	39,326	44,343
Prepayments and accrued income	1,218,587	889,929
	<u>3,846,572</u>	<u>2,718,006</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	373,908	344,485
Other creditors	620,246	364,684
Accruals	1,542,361	797,500
Deferred income	1,755,847	1,288,615
Taxation and social security	483,279	362,998
	<u>4,775,641</u>	<u>3,158,282</u>

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2022	2021
	£	£
Balance at 1 April	1,288,615	639,738
Fees deferred in the year	1,755,847	1,288,615
Fees released from previous years	(1,288,615)	(639,738)
Balance at 31 March	<u>1,755,847</u>	<u>1,288,615</u>

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
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Tangible fixed assets	7,570,794	733,233	8,304,027	7,088,915	780,979	7,869,894
Intangible fixed assets	0	0	0	0	0	0
Stock and debtors	3,846,573	0	3,846,573	2,718,467	0	2,718,467
Cash at bank (including short term investments)	10,496,814	267,655	10,764,469	11,140,825	225,181	11,366,006
Current liabilities	(4,775,641)	0	(4,775,641)	(3,158,282)	0	(3,158,282)
Pension liability	0	0	0	(163,000)	0	(163,000)
Total	17,138,540	1,000,888	18,139,428	17,626,925	1,006,160	18,633,085

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 (2021 - £1).

Ten people served as Trustees in year (2021 - eight).

Notes to the Financial Statements For the Year Ended 31 March 2022

20. STATEMENT OF FUNDS

	As at 1 st Apr 2021	Income	Expenditure	Transfer	Investment gains or losses	Balance 31 st Mar 2022
	£	£	£	£	£	£
Unrestricted funds						
General funds	13,276,088	31,418,928	(32,070,314)	(1,055,004)	163,000	11,732,698
Designated funds	0	0	0	82,799	0	82,799
Operating cost reserve	4,350,837	0	0	972,205	0	5,323,042
Total unrestricted funds	17,626,925	31,418,928	(32,070,314)	0	163,000	17,138,539
Restricted funds						
Land and buildings	780,980	0	(47,747)	0	0	733,233
Revenue grants	225,180	162,372	(119,898)	0	0	267,654
Total restricted funds	1,006,160	162,372	(167,645)	0	0	1,000,887
Total funds	18,633,085	31,581,300	(32,237,959)	0	163,000	18,139,426
	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

21. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2022 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2022 £	2021 £
Operating lease commitments which are owed:		
Within one year	151,935	121,671
In two to five years	65,461	40,445
After five years	1,166	0
	218,562	162,116

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.

Notes to the Financial Statements For the Year Ended 31 March 2022

22. RESTRICTED FUNDS

	Balance 1 st Apr 2021	Incoming resources	Outgoing resources	Balance 31 st Mar 2022
	£	£	£	£
Ashwood Court building	564,263	0	(23,268)	540,995
Ashwood Court land	143,284	0	0	143,284
Kingshill building	73,432	0	(24,478)	48,954
Palmyra grant	171,397	117,372	(72,690)	216,079
Carer Support Service Bolton grant	48,367	45,000	(47,209)	46,158
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	1,006,160	162,372	(167,645)	1,000,887

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 1 st Apr 2020	Incoming resources	Outgoing resources	Balance 31 st 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

23. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

	2022 £	2021 £
Cash	3,212,074	4,716,208
Investments	7,552,395	6,649,798
Trade debtors	2,588,659	1,783,734
Other debtors	39,326	44,343
Accrued income	632,883	375,177
	<u>14,025,337</u>	<u>13,569,260</u>

FINANCIAL LIABILITIES

	2022 £	2021 £
Trade creditors	373,908	344,485
Other creditors	620,246	364,684
Accruals	1,542,361	797,500
	<u>2,536,515</u>	<u>1,506,669</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

24. RECONCILIATION OF NET DEBT

Reconciliation to net cash flow to movement in net debt	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash and cash equivalents	4,716,208	(1,504,134)	0	3,212,074

25. 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 £498,160 (2021 - £444,153).
- (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 £7,338 (2021: £7,800).
- (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 (2021:£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 pension cost charge for the year amounted to £5,579 (2021: £10,124). The pension scheme has separately identifiable assets and liabilities relating to Making Space. The Scheme is now closed and Making Space has no financial liability in regards to this Pension Scheme.
- (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 £22,680 (2021: £226,919).

Notes to the Financial Statements For the Year Ended 31 March 2022

The amounts recognised in the balance sheet are as follows:

	2022 £'000	2021 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	588	448
Eliminated on cessation	(588)	0
Current service cost	0	11
Interest cost	0	10
Contributions by scheme participants	0	2
Actuarial losses	0	144
Benefits paid	0	(27)
	<hr/>	<hr/>
At the end of the year	0	588
	<hr/>	<hr/>
	2022 £'000	2021 £'000
Schemes wholly or partly funded	0	558
	2022 £'000	2021 £'000
Reconciliation of fair value of plan assets		
At the beginning of the year	425	361
Eliminated on cessation	(425)	0
Interest income on plan assets	0	8
Actuarial gains	0	71
Contributions by group	0	10
Contributions by scheme participants	0	2
Benefits paid	0	(27)
	<hr/>	<hr/>
At the end of the year	0	425
	<hr/>	<hr/>
	2022 £'000	2021 £'000
Fair value of plan assets	0	425
Present value of plan liabilities	0	588
	<hr/>	<hr/>
Net pension scheme liability	0	(163)
	<hr/>	<hr/>

Notes to the Financial Statements For the Year Ended 31 March 2022

	2022 £'000	2021 £'000
Amounts recognised in the SOFA are as follows:		
Included in administrative expenses:		
Current service cost	0	11
	0	11

	2022 £'000	2021 £'000
Amounts included in other finance costs		
Net interest cost	0	2
	0	2

	2022 £'000	2021 £'000
Analysis of actuarial loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	0	71
Deficit on transfer of scheme	0	0
Changes in financial assumptions	0	(144)
Changes in demographic assumptions	0	0
Other experience	0	0
	0	(73)

	2022 £'000	2021 £'000
Composition of plan assets – Lincolnshire LGPF		
European equities	0	305
European bonds	0	59
Property	0	44
Cash	0	17
Total plan assets	0	425

	2022 £'000	2021 £'000
Actual return on plan assets	0	79

Notes to the Financial Statements For the Year Ended 31 March 2022

	2022 %	2021 %
Principal actuarial assumptions used at the balance sheet date		
Discount rates	N/A	2.05
Future salary increases	N/A	3.15
Future pension increases	N/A	2.85
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates:		
- for a male aged 65 now	N/A	21.1
- at 65 for a male member aged 45 now	N/A	22.0
- for a female aged 65 now	N/A	23.6
- at 65 for a female member aged 45 now	N/A	25.0

26. RELATED PARTY TRANSACTIONS

There was £10,640 worth of related party transactions with Footsteps 2000 Ltd, which became a subsidiary of Making Space on 1st April 2021. These transactions relate to costs initially incurred by Making Space which have then been recharged to Footsteps 2000 Ltd. There are no amounts outstanding at the year end.

The following Trustees received reimbursed expenses for the year-end 31st March 2022:

Alan Teague	£72.00
Sarah Humphries	£78.30
Elaine Johnstone	£9.09

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

27. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

28. PRIOR YEAR RESTATEMENT

Cash is placed on term deposit so that a deposit matures each quarter. As these deposits are typically placed for a 12 month term it has been determined that these fixed term investments are fixed assets rather than current assets. This has necessitated a prior year restatement of £6,649,798 of investments moving from current assets to fixed assets.

29. MONEY HELD ON TRUST

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,849 (2021: £56,843).