



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

Annual Report & Financial Statements

For the year ended 31st March 2023

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

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Incorporating the Directors' and Strategic Report

Chair's Welcome

Making Space is a unique organisation with a clear social purpose, strong value set and ambitious vision. I was delighted to be appointed as Chair in December 2022 and I am pleased to present our Annual Report and Financial Statements for 2022-23 which provides a summary of the year's activity.

There have been many highlights to celebrate this year, including our annual event for the people we support which was held at the Pavilions of Harrogate. The event was attended by over 300 people and with a theme of "Around the World with Making Space". It was an exciting and vibrant celebration of the diversity of the people we support.

As part of our objective for people to have a place to call home, under our strategic pillar to provide 'Care Designed for the Future', we have re-designed a supported living service in Merseyside, enabling us to provide intensive support for people at a time they need it the most. Our commitment to providing high-quality housing for the people we support continued with the Board agreeing to the purchase of new properties in Cheshire and Cambridgeshire.

Our services continue to grow in numbers and were delighted this year to welcome Cheshire East All Age Carers Hub to the organisation. Making Space has been supporting unpaid carers for over 40 years and welcomes the opportunity to bring its locality-based support to Cheshire East.

This year the Board discussions have been focused on the charity's future development and sustainability in the context of a challenging operating environment. Discussions over the last year have focused upon risks and opportunities, both internal and external, and how we can best respond to these. Trustees and the Senior Leadership Team make time to reflect on the organisation's strategic priorities and we intend to prioritise more time for such discussions over the coming year as we embark upon a new strategic planning cycle for the charity.

We have continued to embed strengthened governance processes, building upon our Governance Review of 2021. We have implemented two new sub-committees for the Board with clear accountabilities and Terms of Reference. All Trustees join at least one Committee which are supported by members of the Senior Leadership Team. Our Governance processes continue to be reviewed and enhanced to ensure that assurance is provided to facilitate effective decision-making.

The Trustees are committed to listen to what the people we support say about the charity. One way we do this is through our experience survey. The 9 questions used were based on 'I' statements from the Think Local Act Personal framework, Making It Real. Some of these 'I' statements were reworded to enable as many responses as possible from all of our service types. 'I' statements are an assertion about what people expect to feel and experience when it comes to personalised care and support. Receiving feedback such as "*Making Space is an excellent service focussed on people's wellbeing, safety and independence*" gives the Board assurance that we are making a difference and staying true to our core values.

I wish to acknowledge the leadership provided by Rachel Peacock, our CEO, and the Senior Leadership Team in ensuring that the organisation has stayed on track in delivering against our strategic pillars and clearly demonstrating Making Space's values in all that they do. I would personally like to thank my fellow Trustees and the Senior Leadership Team for their support to me, and their commitment to the charity.

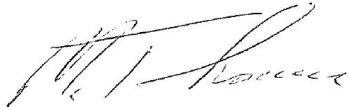
The production of an annual report and financial statements means our Finance department has undertaken a huge amount of work for our audit conducted by Mazars. On behalf of the Board, I would like to thank everyone involved for all their hard work in the preparation of our annual report and financial statements.

In the year we have seen some changes to our Senior Leadership Team and we have said goodbye to a number of Trustees. I would like to pass on my and the organisation's sincere gratitude to those colleagues who have left us this past year.

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I extend a warm welcome to our new colleagues Nick Farmer and Paul Turney who join the Senior Leadership Team, and to our new Trustees, as we create a unitary Board together and enter a new era for the organisation. In welcoming our new colleagues, I am confident that our governance and leadership will be refreshed and that our bold ambitions are in good hands.

Everything that Making Space achieves is possible due to the dedication and resolve of the people we support; our employees and volunteers. The Board warmly thanks them all for their individual and collective contributions to Making Space's work to achieve our vision to put wellbeing at the heart of health and social care. We present our annual report to you wishing everyone involved with Making Space the very best and our kindest thoughts.



Professor Mike Thomas
Chair of Trustees

7th December 2023

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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 2022-23 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.

Our vision is to put wellbeing at the heart of health and social care. This is supported by our mission to build relationships, connect communities and provide quality care as unique as the people we support. Everything that we do at Making Space is done in 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.

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.

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

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

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

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

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

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

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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

Making Space have been supporting adults with care and support needs, and their carers, to lead independent and fulfilling lives for over 40 years. We provide services from Cumbria to Cambridge, supporting people in their own home, in their local community and with specialist support services. Our Services include:

- Residential and nursing homes
- Supported living
- Extra care
- Floating support
- Independent hospital
- Community support and social inclusion
- Psychological therapies

We provide our services to people with an identified health or social care need, including people with complex mental health needs, learning disabilities, living with dementia as well as older people and their carers. Our professional and caring teams strive to go above and beyond for the people we support, helping them to live happy, fulfilling and enriched lives and focusing on positive outcomes for each individual.

Here at Making Space, everything is done with dignity, respect and compassion for both the people we support and their families. Co-production is at the heart of services and by following its principles and encouraging others to do the same, we promote high-quality, person-centred care, and support services to enable people using services to say:

- I live the life I want and keep safe and well.
- I have the information I need when I need it.
- I have access to a range of support that helps me live my life.
- I am in control of my support, in my own way.
- I have considerate support delivered by competent staff.
- I can decide the kind of support I need.

Source: *Think Local Act Personal (TLAP)*

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 three divisions, all led by a team of dedicated Regional Head of Operations, experienced in managing health and social care provision in either regulated services; supported living; or community based services.

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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.

Strategic Review

To achieve our vision of putting wellbeing at the heart of health and social care we have identified four strategic enablers. The enabling pillars that support all that we do are:

- Co-produced services
- Digital capability
- Care designed for the future
- A dedicated and committed workforce

The assumptions for our strategic plan recognise the following significant factors for the people we support:

- Demand for social care relating to the vulnerable and older people will continue to increase
- Increasing complexity of need and increasing levels of care in the home is expected
- On-going pressures on statutory funding will increase
- Strong employment markets will impact on workforce recruitment and retention
- Commissioners will look to providers for new, innovative and efficient models of care
- Regulatory requirements from CQC and Charity Commission will increase
- Transformation of front-line care will utilise digital technology

The Board of Trustees measure the delivery of our strategy through a series of Key Performance Indicators that are reviewed annually and focused upon four key activities:

| | |
|--|---|
| <p>Services we deliver</p> <ul style="list-style-type: none"> • Increase digital capacity in service design • CQC Compliance in top quartile • Service utilisation compared to contract requirements | <p>People we support</p> <ul style="list-style-type: none"> • Active involvement in design and delivery of services • Varied choice of volunteering roles in our services • Service satisfaction audits |
| <p>People working with us</p> <ul style="list-style-type: none"> • Employee Vacancy rates • Employee Turnover % • Operational workforce with a level 2 qualification | <p>Finance and Governance</p> <ul style="list-style-type: none"> • Actual total surplus/deficit vs budgeted surplus/deficit • Annual growth in income whilst generating a reasonable surplus • Actual reserves vs policy target • Annual Trustee skills and experience audit |

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People we support

In the last twelve months we have supported 14,500 (2022: 11,245) people across the country accessing the following services:

| Service Type | No. of people using the services |
|---|----------------------------------|
| Psychological Wellbeing Services | 3,160 |
| Community Based Dementia Services | 2,404 |
| Social Inclusion/Day Services | 396 |
| Carer Support | 6,757 |
| Support Accommodation Provided | 644 |
| Support Accommodation Not Provided | 412 |
| Extra Care (CQC Registered) | 459 |
| Care Homes Without Nursing (CQC Registered) | 222 |
| Nursing Homes (CQC Registered) | 39 |
| Independent Hospitals | 7 |
| Total | 14,500 |

Strategies for achieving Aims & Objectives and Key Performance Measures

Key deliverables for the year to 31 March 2023 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 have commissioned 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 introduced a life assurance benefit from the start of 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 2022-2023 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. | 85% | Nourish implementation has been completed. Work remains ongoing to fully embed the system to Making Space requirements. |
| 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. | 90% | There are 20 CQC registered services. Of these one is rated as 'Inadequate', and one as 'Requires Improvement', the other 18 are rated as 'good'. |
| 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. | 100% | During this year we have improved our performance monitoring and data collection to enable us to more effectively monitor our delivery and performance. |

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| <p>4. Actively involving people we support in the design and delivery of services.</p> | <p>% of services with a 'Making it Real Plan' in place</p> | <p>70% and above.</p> | <p>100%</p> | <p>Every service now has in place a Making It Real Plan. The plans are kept continuously under review to ensure that they reflect the nuances of each service.</p> |
| <p>5. Connecting people to their communities and others through volunteering.</p> | <p>% of services with volunteer roles, actual versus plan.</p> | <p>80% and above.</p> | <p>48%</p> | <p>Our volunteer criteria has been redefined to ensure that there is a consistent target and measure across the organisation. A new volunteer strategy is currently being developed.</p> |
| <p>6. Listening to the people we support to improve our services.</p> | <p>% of services with service user feedback mechanisms in place.</p> | <p>80% and above.</p> | <p>100%</p> | <p>Services have a wide range of processes and engagement tools in place to gain feedback to enable us to continuously improve services for the people we support.</p> |
| <p>7. Attract the right people with the right values in the right number.</p> | <p>Vacancy % compared to 2020 Skills for Care Report of 7.3%.</p> | <p>6.5% and below.</p> | <p>15.2%</p> | <p>Vacancy rate for the year peaked in March, mainly impacted by post COVID and Brexit. High retention levels are consistent across the sector with unprecedented levels of leavers. Approx 20% of services have had recruitment challenges, it isn't widespread and is showing signs of improvement.</p> |
| <p>8. Have a workforce that feels valued and rewarded.</p> | <p>Turnover % compared to 2020 Skills for Care Report of 30.4%.</p> | <p>25% and below.</p> | <p>30.9%</p> | <p>Turnover has gone down from 35% in April, we have also seen improvements in new starter retention. Pay was further uplifted between 5-11% in April.</p> |
| <p>9. Develop our people's skills to their full potential.</p> | <p>Operational colleagues qualified to at least level two compared to 2020 Skills For Care Report of 48.0%</p> | <p>47.5% and above.</p> | <p>47.9%</p> | <p>This has been slowly improving all year. We have more than 100 colleagues working towards awards, we have also improved our system for recording new staffs</p> |

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|---|--|--------------------------------|--|---|
| | | | | qualifications. |
| 10. Maintain our financial viability. | Achieve agreed annual budget deficit of £128,861. | Better than budget. | Actual deficit of £1,366,607 | The main driver for this negative performance was the recruitment issues felt across the company resulting in higher agency usage. This led to an overspend on staff related costs of £1,000,009. |
| 11. Continue to grow so that our positive impact is felt more widely. | Achieve growth in income whilst generating a reasonable surplus. | Income larger than prior year. | Income has decreased from £31.4m to £31.0m | Decreased income by 1.3% driven by the closure of Monet Lodge and the loss of income totalling £1.6m |

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.

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 we continued our commitment to at least pay the Real Living Wage.

Our operating deficit for the year was £1,366,607 which does not compare well to our prior year operating deficit of £872,737. The key driver to this negative movement in financial performance is the £1,000,009 deficit generated within staffing costs. Recruitment of staff has been particularly difficult in year resulting in a higher use of agency to cover our regulated services.

Our total income declined from £31,365,221 in 2021-22 to £30,975,371 in 2022-23 which represents a decrease of 1.3%. This decrease in income was driven by the closure of Monet Lodge due to fees received not covering costs resulting in the loss of £1,584,635 of income. This was offset by tender successes totalling £1,152,000.

Total expenditure before gains and losses rose from £32,237,959 to £32,341,977 which represents an increase of 0.3%. This was a result of the difficulty in recruitment and resulting increase in agency costs. There are a number of plans to reduce this going forward. These include agreeing new more favourable rates and reviewing our recruitment strategy.

There was an overall net decrease in balance sheet funds from £17,923,348 to £16,556,741.

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 £5,323,042. Our policy was to invest any free reserves over the emergency operating reserves into new services.

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We are currently working with a local authority on a plan open a number of community living services. The full extent of this would be to spend £1.5m of reserves on new properties. This process is underway with the development of a supported living scheme with a cost of £0.3m.

Our balance of cash and short-term investments as at 31 March 2023 was £8,427,953. As of this date the two month emergency operating reserve was £5,343,814. Under last year's reserves policy £3,084,139 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. The planned maintenance reserve currently stands at £71,172. The £3,084,139 of available reserves therefore need to be reduced by the possible £1,500,000 investment together with the planned maintenance reserve of £71,172 giving excess reserves £1,512,967. Prudence dictates that any plans to spend these are put on hold until a budget for 2024-25 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.

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 £7,103 on income of £120,119 in the year to 31st March 2023. Footsteps has a bank balance of £40,826 with a net assets balance of £10,478.

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 of 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 fully adheres to the regulator's Fundraising Code. To the best of our knowledge the charity has complied fully with all regulatory fundraising standards.

Employees, volunteers and supporters who fundraise on our behalf are offered guidance, advice and supervision from our Fundraising Manager and Coordinator.

No complaints have been received concerning fundraising activities during the year.

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Making Space always acts responsibly to protect vulnerable people whilst undertaking fundraising activities. We avoid fundraising in settings where people may lack capacity to make decisions, and we do not seek to fundraise from any people that we support. All fundraising donations are recorded and appropriate checks are made to assure ourselves of the probity of the donation. If we have any reason to question a donation then it will be returned. We proactively engage donors to ensure that they understand the purpose for which their gift will be used.

Risk Management

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.

Processes in place regarding risk management and internal control include the following:

- A comprehensive integrated quality assurance framework.
- Detailed terms of reference for the Board and sub-committees.
- A robust organisational structure with clear lines of reporting and authorisation levels.
- A risk management policy and associated procedures which are regularly reviewed.

The overarching risk to the charity is damage to our reputation as a trusted health and social care provider. The principal risks and uncertainties to which the Charity is exposed are:

Quality of care and support. Robust systems are in place to ensure that people using our services are in a safe environment. Quality performance indicators are in place to satisfy the Board that our services are delivering agreed outcomes for our beneficiaries and matters which require Intervention can be identified and actions for improvement agreed. Our monthly divisional management meetings are moving towards a digital dashboard, for more timely information that can be sense checked against other indicators to be able to inform and suggest actions to ensure that our priorities can be met

Financial resilience. The Charity is faced with a challenging economic climate as much of our income is linked to local authority provision, which is itself under increasing financial pressures. Income levels are continually monitored and there is ever increasing focus on maintaining and enhancing sources of income. The Board approves the annual budget and ongoing oversight is provided through the Finance and Business Development Committee which meets quarterly. Operational financial management is provided through monthly management accounts and business reviews continuously review the ongoing financial viability of individual services.

Compliance with regulatory and statutory requirements. A Board Assurance Framework is being developed to strengthen existing internal systems. We operate in a highly regulated sector and the Charity complies with the requirements of the Charity Commission, Charities Acts and Companies Acts, seeking consent, filing returns and publishing accounts as required. Compliance updates go to each meeting of the two sub committees of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Attracting the right people to work and volunteer with us. A detailed people plan is in place which includes a range of approaches that support the delivery of the strategic plan and our drive to become a preferred employer or volunteering choice within the health and social care market.

Changes in commissioning environment. The Charity is highly reliant upon statutory funding to deliver services which is a rapidly changing environment. The Charity has a Business Development team that sits within a Project Management Office which reports directly to the Chief Operating Officer and works collaboratively across the business functions of the organisation.

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IT Security and cyber threats. The Charity is obliged to report cyber security breaches that involve personal information to the Information Commissioner's Office (ICO) and Charity Commission. In this reporting year there have been no breaches to report. The Charity has a detailed policy and procedure that sets out the measures to be taken by all trustees, employees and volunteers in order to protect the organisation's information and communication technology systems, media, infrastructure, data assets and all other relevant equipment from IT security or cyber threats whether internal, external, deliberate or accidental.

Governance. The Board has adopted the principles of the Charity Commission Code of Governance and has a partnership with a governance consultancy to ensure robust oversight of the charity. This year Trustees have been updating our approaches in a number of areas to ensure compliance with the revised Code and to deliver better governance overall. This year we appointed a Chair of Trustees through an external recruitment campaign and three new Trustee appointments were made to compliment and strengthen the existing skills and experience of the Board.

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.

Carbon Footprint (Greenhouse gas emissions)

| Type of emission | Activity | 2022-23 | 2021-22 |
|-----------------------------|-------------|--------------------|--------------------|
| | | tCO ₂ e | tCO ₂ e |
| Direct (Scope 1) | Gas | 350 | 384 |
| Energy Indirect (Scope 2) | Electricity | 0 | 174 |
| Intensity metric | | | |
| Number of employees | | 1,024 | 1,079 |
| Tonnes of CO ₂ e | | 0.34 | 0.52 |

Assessment parameters

| | |
|--------------------|--|
| Environmental lead | Paul Turney, Chief Finance Officer |
| Methodology used | UK Government Green House Gas conversion factors for company reporting |

Our Plans for 2023-24

We will:

- Launch our strategic plan 2024-2027
- Implement a new corporate website
- Agree an environmental action plan
- Strengthen our data collection to improve oversight on service performance
- Develop and implement a new Dementia Strategy
- Develop and Implement a new Volunteer Strategy
- Develop and implement an enhanced quality governance and audit framework
- Review our service offer for Learning Disability, Mental Health and Older People
- Benchmark Making Space service costs against industry standards so as to ensure a value for money offer to Commissioners.
- Implement a new Board Assurance 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 | Appointed 25 th September 2014 - Resigned 23 rd June 2022 |
| A Broadhurst | Appointed 25 th September 2014 |
| E Johnstone | Appointed 22 nd June 2017, Chair between 23 rd June 2022 – 8 th December 2022 |
| N Hormozi | Appointed 6 th November 2019 |
| S Humphreys | Appointed 6 th November 2019 - Resigned 10 May 2022 |
| M Jenkinson | Appointed 6 th November 2019 |
| K Porceddu | Appointed 6 th November 2019 - Resigned 8 th December 2022 |
| K Wykes | Appointed 18 th November 2021 |
| W Bonnefin | Appointed 19 th November 2021 - Resigned 24 August 2022 |
| M Thomas | Chair – Appointed 8 th December 2022 |

Co-opted Trustees

In accordance with Section 3.9 of the Articles of Association the Trustees may at any time co-opt any individual who is qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee. A Co-opted Trustee holds office only until the next AGM. Names of all who were Co-opted during the reporting period, and up to the date of signing, are as follow:

| | |
|------------|---------------------------------------|
| V Ukpong | Appointed 23 rd March 2023 |
| T Quinlan | Appointed 23 rd March 2023 |
| V Carvalho | Appointed 22 nd June 2023 |

Chief Officers of Making Space

| | |
|-------------------------|-----------|
| Chief Executive | R Peacock |
| Chief Finance Officer | P Turney |
| Chief Operating Officer | N Farmer |
| Chief People Officer | P Orton |
| Company Secretary | P Turney |

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Bankers

Lloyds Bank Plc
Town Hill
Warrington
WA1 2LP

Auditor

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

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 Senior Leadership Team based at Head Office in Warrington. The Head Office houses the Senior Leadership functions for finance, operations, human resources, and quality. During the year, the Chief Executive and the Senior Leadership 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 Chief Officers 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's 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 Chairs chose to receive payment in the year to 31st March 2023, the amount totalled £7,722.

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Employee Engagement

We continued to maintain pay levels in line with the Real Living Wage. In April 2023 we made between a 5% and 11.2% pay award lifting our lowest levels of pay from £9.90 to £10.90 an hour. We also maintained the pay differentials between other operational posts in line with our pay and reward strategy.

We held our first Annual Colleague Awards. With more than 250 nominations we held the ceremony in Manchester in September 2022 which was attended by nearly 150 colleagues. A number of judges from external partners, trustees and others helped judge the awards which was hugely successful.

We have continued with our monthly Living our Values Awards. We made 12 awards in the last year and we continue to develop the awards, now opening up nominations to teams as well as individuals.

Improving the way we communicate with our colleagues has continued to evolve and over the course of the year we have been working on the launch of a new Intranet 'Our Space'. Bringing together policies and procedures, news stories, polls and a recognition hub, Our Space was launched in January 2023. We have also continued to provide colleague communications through a quarterly video update from our CEO.

To help colleagues in the role with providing access to clear and concise policies and procedures we have reviewed and launched a new set of People-based policies.

To recognise the achievements of our colleagues we have again taken part in a number of external awards in the last year. We were delighted to have won several regional events at the Great British Care Awards along with winners at the Social Care Leadership Awards, WAG awards and Housing with Care Awards.

We have become accredited with Cares for Employers and are presently working through an action plan to better understand how we can support carers at work as well as build upon existing policies in place.

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 colleagues 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 supported the families of those impacted by addiction became a subsidiary of Making Space on 1st April 2021.

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

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

organisational objectives and the services required by commissioning bodies.

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,989 (2022: £56,849).

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 2023 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:

- i. The likely consequences of any decision in the long term;
- ii. The interests of the Charity's employees;
- iii. The need to foster the Charity's business relationships with suppliers, customers and others;
- iv. The impact of the Charity's operations on the community and the environment;
- v. The desirability of the Charity maintaining a reputation for high standards of business conduct; and
- vi. The need to act fairly between members of the Charity.

- b) 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.

- c) 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. They know that the key to maintaining 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.

- d) 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 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.

- e) 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

Trustees' Annual Report Incorporating the Directors' and Strategic Report

affect in all arenas.

- f) 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.

- g) 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.

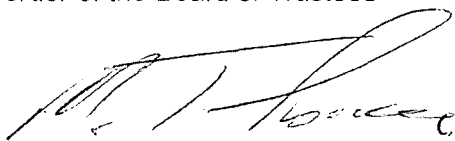
Statement as to disclosure of information to auditors

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



Professor Mike Thomas

Chair of Trustees

Date: 7th December 2023

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.

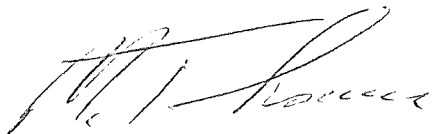
In preparing these financial statements, the Trustees are required to:

- 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



Professor Mike Thomas

Chair of Trustees

7th December 2023

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 2023 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 2023 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of Making Space

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 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 Trustee's Report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Independent Auditor's Report to the Members of Making Space

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 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.

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 revenue recognition (which we pinpointed to the cut-off assertion), the classification of income and expenditure, fixed asset depreciation and significant one-off or unusual transactions.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Act 2011.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

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

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


Michael Speight (Dec 20, 2023 18:25 GMT)

Michael Speight
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

Date 20-Dec-2023

Statement of Financial Activities

(Incorporating the summary income and expenditure account)

Year ended 31 March 2023

| | Note | Unrestricted funds | Restricted funds | Total funds 2023 | Restated Total funds 2022 |
|--|--------|--------------------|------------------|--------------------|---------------------------|
| | | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and legacies | | 218,873 | 0 | 218,873 | 89,287 |
| Charitable activities | 2,8 | 30,407,314 | 45,900 | 30,453,214 | 31,196,729 |
| Other trading activities | 3 | 7,620 | 0 | 7,620 | 8,040 |
| Investments | 4 | 130,231 | 0 | 130,231 | 47,180 |
| Other | 5 | 165,433 | 0 | 165,433 | 23,985 |
| TOTAL INCOME AND ENDOWMENTS | | 30,929,471 | 45,900 | 30,975,371 | 31,365,221 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 7,8,10 | 32,248,829 | 93,148 | 32,341,977 | 32,237,959 |
| TOTAL EXPENDITURE | | 32,248,829 | 93,148 | 32,341,977 | 32,237,959 |
| EXPENDITURE BEFORE GAINS/(LOSSES) | | (1,319,358) | (47,248) | (1,366,607) | (872,737) |
| Actuarial gains on defined benefit pension schemes | 24 | 0 | 0 | 0 | 163,000 |
| NET MOVEMENT IN FUNDS | | (1,319,358) | (47,248) | (1,366,607) | (709,737) |
| RECONCILIATION OF FUNDS: | | | | | |
| TOTAL FUNDS BROUGHT FORWARD | | 17,138,539 | 784,808 | 17,923,348 | 18,633,085 |
| TOTAL FUNDS CARRIED FORWARD | 20 | 15,819,181 | 737,560 | 16,556,741 | 17,923,348 |

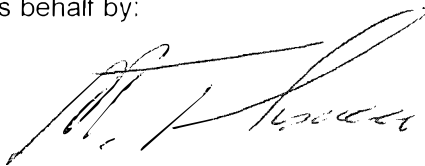
All the above results derive from continuing operations. All gains and losses recognised in the year are included above.

Balance Sheet

As at 31 March 2023

| | Notes | 2023 £ | Restated 2022 £ |
|--|------------|-------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | 8,193,266 | 8,304,026 |
| Investments, cash and cash equivalents | | 6,608,583 | 7,552,395 |
| TOTAL FIXED ASSETS | | <u>14,801,849</u> | <u>15,856,421</u> |
| CURRENT ASSETS | | | |
| Stock | 14 | 0 | 0 |
| Debtors | 15 | 3,516,996 | 3,846,573 |
| Cash at bank and in hand | | 1,819,371 | 3,212,074 |
| TOTAL CURRENT ASSETS | | <u>5,336,367</u> | <u>7,058,646</u> |
| LIABILITIES | | | |
| Creditors' amounts falling due within one year | 16 | (3,581,474) | (4,991,720) |
| NET CURRENT ASSETS | | 1,754,893 | 2,066,927 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 16,556,741 | 17,923,348 |
| Defined benefit pension scheme liability | 24 | 0 | 0 |
| TOTAL NET ASSETS | | <u>16,556,741</u> | <u>17,923,348</u> |
| THE FUNDS OF THE CHARITY | | | |
| Restricted funds | 18, 20, 22 | 737,560 | 784,808 |
| Unrestricted funds | 18, 20 | 15,819,181 | 17,138,539 |
| TOTAL CHARITY FUNDS | 20 | <u>16,556,741</u> | <u>17,923,348</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 7 December 2023 and signed on its behalf by:



Professor Mike Thomas

Chair of Trustees

Date of Signing: 7th December 2023

Notes to the Financial Statements For the Year Ended 31 March 2023

Year Ended 31 March 2023

| | 2023 £ | 2022 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Net cash provided (used in)/by operating activities | (2,439,188) | 85,122 |
| Cash flows from investing activities: | | |
| Dividends, interest and rents from investments | 130,231 | 47,180 |
| Proceeds from the sale of property, plant and equipment | 635,738 | 1,000 |
| Purchase of property, plant and equipment | (663,297) | (734,839) |
| Proceeds from sale of investments | 943,812 | (902,597) |
| Purchase of investments | 0 | 0 |
| Net cash provided used in investing activities | <u>(1,392,703)</u> | <u>(1,504,134)</u> |
| Cash flows from financing activities: | | |
| Repayment of borrowing | 0 | 0 |
| Cash inflows from new borrowing | 0 | 0 |
| Receipt of endowment | 0 | 0 |
| Net cash provided by financing activities | <u>0</u> | <u>0</u> |
| Change in cash and cash equivalents in the reporting period | (1,392,703) | (1,504,134) |
| Cash and cash equivalents at the beginning of the reporting period | 3,212,074 | 4,716,208 |
| Cash and cash equivalents at the end of the reporting period | <u>1,819,371</u> | <u>3,212,074</u> |

Reconciliation of net expenditure to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|--------------------|---------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (1,366,607) | (709,737) |
| Adjustments for: | | |
| Depreciation charges | 279,091 | 299,708 |
| Dividends, interest and rents from investments | (130,231) | (47,180) |
| Profit on sale of fixed assets | (140,772) | 0 |
| Decrease in stocks | 0 | 461 |
| (Increase)/decrease in debtors | 329,577 | (1,128,567) |
| Increase/(decrease) in creditors | (1,410,245) | 1,833,437 |
| Decrease in pension liability | 0 | (163,000) |
| Net cash provided (used in)/by operating activities | <u>(2,439,188)</u> | <u>85,122</u> |

Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Cash in hand | 1,819,371 | 3,212,074 |
| Total cash and cash equivalents | <u>1,819,371</u> | <u>3,212,074</u> |

Notes to the Financial Statements For the Year Ended 31 March 2023

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 the principle 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

The charity's forecasts and projections show that the charity should be able to operate within its current working capital resources. The Charity has considerable financial resources and the Trustees believe it is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries and after having reviewed the Charity's forecasts and projections, taking into account reasonably possible changes in trading performance, the Trustees have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees have adopted the going concern basis of accounting in preparation of the financial statements.

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 older than five months as at 31 March 2023 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 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 asset.

Incoming resources

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

Notes to the Financial Statements For the Year Ended 31 March 2023

Grants, rents and service charges receivable

Grants receivable and rents receivable are accounted for on 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.

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.

Notes to the Financial Statements For the Year Ended 31 March 2023

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.

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 three defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA so as 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.

Notes to the Financial Statements For the Year Ended 31 March 2023

- b) Making Space contributes to four 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.

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 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

Notes to the Financial Statements For the Year Ended 31 March 2023

bodies whether local, national or international.

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

2. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restated Restricted funds 2022 £ | Restated Total 2022 £ |
|--|------------------------------------|----------------------------------|--------------------|------------------------------------|--|--------------------------------|
| Residential care homes and independent hospitals | 9,140,438 | 0 | 9,140,438 | 10,684,707 | 0 | 9,430,630 |
| Social inclusion services | 907,946 | 0 | 907,946 | 1,459,652 | 0 | 1,554,092 |
| Improve access to psychological therapies | 445,839 | 0 | 445,839 | 462,890 | 0 | 350,505 |
| Carer support services including carer breaks | 1,310,866 | 45,900 | 1,356,766 | 1,040,269 | 45,000 | 504,543 |
| Community Based Dementia Support | 694,314 | 0 | 694,314 | 511,948 | 0 | 780,860 |
| Supported housing | 13,285,470 | 0 | 13,285,470 | 12,668,416 | 0 | 10,972,412 |
| Extra Care | 4,622,441 | 0 | 4,622,441 | 4,323,846 | 0 | 3,528,161 |
| Total | 30,407,314 | 45,900 | 30,453,214 | 31,151,729 | 45,000 | 31,196,729 |

Notes to the Financial Statements For the Year Ended 31 March 2023

3. INCOME FROM OTHER TRADING ACTIVITIES

| | 2023 | 2022 |
|---------------|--------------|--------------|
| | £ | £ |
| Rental income | 7,620 | 8,040 |
| | <u>7,620</u> | <u>8,040</u> |

4. INCOME FROM INVESTMENTS

| | 2023 | 2022 |
|-------------------|----------------|---------------|
| | £ | £ |
| Interest received | 130,231 | 47,180 |
| | <u>130,231</u> | <u>47,180</u> |

5. OTHER INCOMING RESOURCES

| | 2023 | 2022 |
|--|----------------|---------------|
| | £ | £ |
| Gain on disposal of tangible fixed asset | 140,772 | 0 |
| Sales of Goods | 4,681 | 5,170 |
| Management fees | 0 | 0 |
| Miscellaneous income | 19,980 | 18,815 |
| | <u>165,433</u> | <u>23,985</u> |

6. GOVERNMENT GRANTS

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

Notes to the Financial Statements For the Year Ended 31 March 2023

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

| | Direct costs £ | Grant funding of activities £ | Support costs £ | Governance costs £ | Total 2023 £ |
|---|-------------------|----------------------------------|--------------------|-----------------------|-------------------|
| Head office | 0 | 0 | 4,095,153 | 0 | 4,095,153 |
| Governance | 0 | 0 | 0 | 165,857 | 165,857 |
| Residential homes and independent hospitals | 9,058,321 | 0 | 0 | 0 | 9,058,321 |
| Social Inclusion/Day Services | 789,502 | 0 | 0 | 0 | 789,502 |
| Improve access to psychological therapies | 403,038 | 0 | 0 | 0 | 403,038 |
| Carer support services including carer breaks | 1,236,170 | 0 | 0 | 0 | 1,236,170 |
| Community Based Dementia Support | 513,461 | 0 | 0 | 0 | 513,461 |
| Supported housing | 11,374,499 | 0 | 0 | 0 | 11,374,499 |
| Extra Care | 4,705,976 | 0 | 0 | 0 | 4,705,976 |
| Total | 28,080,967 | 0 | 4,095,153 | 165,857 | 32,341,977 |
| Unrestricted | 27,987,819 | 0 | 4,095,153 | 165,857 | 32,248,829 |
| Restricted | 93,148 | 0 | 0 | 0 | 93,148 |
| Total | 28,080,967 | 0 | 4,095,153 | 165,857 | 32,341,977 |

| | Direct costs £ | Grant funding of activities £ | Support costs £ | Governance costs £ | Total 2022 £ |
|---|-------------------|----------------------------------|--------------------|-----------------------|-------------------|
| Head office | 0 | 0 | 3,546,627 | 0 | 3,546,627 |
| Governance | 0 | 0 | 0 | 73,735 | 73,735 |
| Residential homes and independent hospitals | 11,238,755 | 0 | 0 | 0 | 11,238,755 |
| Social Inclusion/Day Services | 1,214,014 | 0 | 0 | 0 | 1,214,014 |
| Improve access to psychological therapies | 423,478 | 0 | 0 | 0 | 423,478 |
| Carer support services including carer breaks | 973,871 | 0 | 0 | 0 | 973,871 |
| Community Based Dementia Support | 460,104 | 0 | 0 | 0 | 460,104 |
| Supported housing | 10,250,901 | 0 | 0 | 0 | 10,250,901 |
| Extra Care | 4,056,473 | 0 | 0 | 0 | 4,056,473 |
| Total | 28,617,596 | 0 | 3,546,627 | 73,735 | 32,237,959 |
| Unrestricted | 28,522,641 | 0 | 3,546,627 | 73,735 | 32,143,003 |
| Restricted | 94,955 | 0 | 0 | 0 | 94,955 |
| Total | 28,617,596 | 0 | 3,546,627 | 73,735 | 32,237,959 |

Notes to the Financial Statements For the Year Ended 31 March 2023

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

| | Income 2023 £ | Costs 2023 £ | Net cost funded from other income 2023 £ | Restated Income 2022 £ | Costs 2022 £ | Restated Net cost funded from other income 2022 £ |
|--|---------------------|--------------------|---|---------------------------------|--------------------|---|
| Head office | 0 | 4,095,153 | (4,095,153) | 0 | 3,546,627 | (3,546,627) |
| Governance | 0 | 165,857 | (165,857) | 0 | 73,735 | (73,735) |
| Residential homes and independent hospitals | 9,140,438 | 9,058,321 | 82,117 | 10,684,707 | 11,238,755 | (554,048) |
| Social Inclusion/Day Services | 907,946 | 789,502 | 118,444 | 1,459,652 | 1,214,014 | 245,638 |
| Improve access to psychological therapies | 445,839 | 403,038 | 42,801 | 462,890 | 423,478 | 39,412 |
| Carer support services including carer breaks | 1,356,766 | 1,236,170 | 120,596 | 1,085,269 | 973,871 | 111,399 |
| Community Based Dementia Support | 694,314 | 513,461 | 180,852 | 511,948 | 460,104 | 51,845 |
| Supported housing | 13,285,470 | 11,374,499 | 1,910,971 | 12,668,416 | 10,250,901 | 2,417,515 |
| Extra Care | 4,622,441 | 4,705,976 | (83,535) | 4,323,846 | 4,056,473 | 267,373 |
| Furlough Scheme | 0 | 0 | 0 | 0 | 0 | 0 |
| | <u>30,453,214</u> | <u>32,341,977</u> | <u>(1,888,763)</u> | <u>31,196,729</u> | <u>32,237,959</u> | <u>(1,041,230)</u> |

Notes to the Financial Statements For the Year Ended 31 March 2023

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Support costs 2023 £ | Governance costs 2023 £ | Total costs 2023 £ | Support costs 2022 £ | Governance costs 2022 £ | Total costs 2022 £ |
|--|----------------------------|-------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|
| Chief Executive | 314,289 | 0 | 314,289 | 171,601 | 0 | 171,601 |
| Business Services | 185,850 | 0 | 185,850 | 255,206 | 0 | 255,206 |
| Finance | 565,461 | 0 | 565,461 | 392,865 | 0 | 392,865 |
| Development | 285,950 | 0 | 285,950 | 271,634 | 0 | 271,634 |
| IT | 483,551 | 0 | 483,551 | 474,584 | 0 | 474,584 |
| Human resources | 597,438 | 0 | 597,438 | 593,244 | 0 | 593,244 |
| Marketing | 245,004 | 0 | 245,004 | 213,618 | 0 | 213,618 |
| Quality assurance | 370,530 | 0 | 370,530 | 380,748 | 0 | 380,748 |
| Central management | 391,502 | 0 | 391,502 | 203,956 | 0 | 203,956 |
| Membership, Voluntary and User Inclusion | 104,641 | 0 | 104,641 | 88,212 | 0 | 88,212 |
| Other | 550,937 | 0 | 550,937 | 500,959 | 0 | 500,959 |
| Audit fees | 0 | 43,550 | 43,550 | 0 | 39,070 | 39,070 |
| Trustee costs | 0 | 121,307 | 121,307 | 0 | 33,666 | 33,666 |
| Trustee indemnity insurance | 0 | 1,000 | 1,000 | 0 | 1,000 | 1,000 |
| | 4,095,153 | 165,857 | 4,261,010 | 3,546,627 | 73,735 | 3,620,362 |

Notes to the Financial Statements For the Year Ended 31 March 2023

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff costs 2023 £ | Other 2023 £ | Amortisation & Depreciation 2023 £ | Total 2023 £ |
|---------------------------------|--------------------------|--------------------|---|--------------------|
| Charitable expenditure | | | | |
| Direct charitable expenditure | 23,079,070 | 8,817,959 | 279,091 | 32,176,120 |
| Governance costs | 7,820 | 158,037 | 0 | 165,857 |
| Total resources expended | 23,086,890 | 8,975,996 | 279,091 | 32,341,977 |

| | Staff costs 2022 £ | Other 2022 £ | Amortisation & Depreciation 2022 £ | Total 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 |

11. NET INCOMING/(OUTGOING) RESOURCES

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Net incoming/(outgoing) resources for the year are stated after charging/(crediting): | | |
| Rentals under operating leases | 177,018 | 261,029 |
| Depreciation of tangible fixed assets - owned | 279,091 | 299,708 |
| (Surplus)/deficit on disposal of fixed assets | (140,772) | 0 |
| Auditor's remuneration for the audit of the Charity's annual accounts | 43,550 | 39,070 |

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

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

| | Actual employees | |
|----------------|------------------|--------------|
| | 2023 No. | 2022 No. |
| Management | 29 | 28 |
| Administration | 34 | 50 |
| Operational | 961 | 1,001 |
| | 1,024 | 1,079 |

Notes to the Financial Statements For the Year Ended 31 March 2023

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

| | 2023 | 2022 |
|----------------------|-------------|-------------|
| | No. | No. |
| £80,000 to £90,000 | 1 | 3 |
| £90,000 to £100,000 | 1 | 0 |
| £110,000 to £120,000 | 1 | 1 |
| £120,000 to £130,000 | 2 | 0 |
| £130,000 to £140,000 | 1 | 0 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | 6 | 4 |

Retirement benefits are accruing under a defined contribution scheme for these six employees (2022 - four). Total contributions paid in the year for the six employees was £108,760 (2022 - £73,182).

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

£205,794 has been paid in redundancy and termination costs due to a restructure of both our operations and senior leadership team.

TRUSTEE EXPENSES

Professional indemnity insurance has been taken out on behalf of Trustees at a cost of £1,000 (2022-£1,000)

The secretarial and administrative cost to the Board of Trustees was £113,585 (2022-£33,666) for the eleven Trustees who served in 2023 (2022-ten). Within this total an amount of £1,060 was paid to trustees as expenses (2022-£292).

Remuneration of £7,722 (2022:£0) was paid to one (2022:£0) trustee during the year. In line with our articles of association, £10,000 per year can be paid.

KEY MANAGEMENT COSTS

Key management personnel for the charity is made up of trustees and the five strong executive management team. The total employee benefits of the executive management team was £711,638 (2022-£532,352).

Notes to the Financial Statements For the Year Ended 31 March 2023

13. TANGIBLE AND FIXED ASSETS FOR USE BY THE CHARITY

| | Assets Under Construction | Freehold Land and Buildings | Long Leasehold Property | Fixtures and Equipment | Motor Vehicles | Tangible fixed assets Total |
|---------------------------------|---------------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------|-----------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| As at 1 April 2022 | 300,991 | 8,739,155 | 2,353,109 | 299,529 | 81,857 | 11,774,641 |
| Additions | 314,672 | 277,600 | 0 | 37,431 | 33,594 | 663,297 |
| Disposals | (700) | (545,073) | 0 | 0 | (31,984) | (577,757) |
| Transfer | (300,291) | 296,415 | 0 | 3,876 | 0 | (0) |
| As at 31 March 2023 | 314,672 | 8,768,097 | 2,353,109 | 340,836 | 83,467 | 11,860,181 |
| Accumulated depreciation | | | | | | |
| As at 1 April 2022 | 0 | 1,590,232 | 1,709,957 | 125,230 | 45,195 | 3,470,614 |
| Charge for the year | 0 | 156,600 | 51,265 | 56,950 | 14,276 | 279,091 |
| Disposals | 0 | (61,305) | 0 | 0 | (21,486) | (82,791) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| As at 31 March 2023 | 0 | 1,685,527 | 1,761,222 | 182,180 | 37,985 | 3,666,914 |
| Net book value | | | | | | |
| As at 31 March 2023 | 314,672 | 7,082,570 | 591,887 | 158,656 | 45,482 | 8,193,267 |
| As at 31 March 2022 | 300,991 | 7,148,923 | 643,152 | 174,299 | 36,662 | 8,304,027 |

Freehold land and buildings include a specific property with a net book value of £661,011 (2022-£684,279). 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 £24,475 (2022-£48,953). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

14. STOCKS

| | 2023 | 2022 |
|--|------|------|
| | £ | £ |
| Equipment, publications and goods for resale | 0 | 0 |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|--------------------------------|-----------|-----------|
| | £ | £ |
| Trade debtors | 1,587,736 | 2,588,659 |
| Other debtors | 30,001 | 39,326 |
| Prepayments and accrued income | 1,899,259 | 1,218,587 |
| | 3,516,996 | 3,846,573 |

Notes to the Financial Statements For the Year Ended 31 March 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | Restated 2022 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 288,865 | 373,908 |
| Other creditors | 748,654 | 620,246 |
| Accruals | 784,336 | 1,542,361 |
| Deferred income | 1,355,668 | 1,971,926 |
| Taxation and social security | 403,951 | 483,279 |
| | <u>3,581,474</u> | <u>4,991,720</u> |

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

| | 2023 | Restated 2022 |
|-----------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Balance at 1 April | 1,971,926 | 639,738 |
| Fees deferred in the year | 1,355,668 | 1,971,926 |
| Fees released from previous years | <u>(1,971,926)</u> | <u>(639,738)</u> |
| Balance at 31 March | <u>1,355,668</u> | <u>1,971,926</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 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Tangible fixed assets | 7,507,780 | 685,486 | 8,193,266 | 7,570,794 | 733,233 | 8,304,026 |
| Intangible fixed assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock and debtors | 3,516,996 | 0 | 3,516,996 | 3,846,573 | 0 | 3,846,573 |
| Cash at bank (including short term investments) | 8,375,879 | 52,074 | 8,427,953 | 10,712,893 | 51,576 | 10,764,469 |
| Current liabilities | (3,581,474) | 0 | (3,581,474) | (4,991,720) | 0 | (4,991,720) |
| Pension liability | 0 | 0 | 0 | 0 | 0 | 0 |
| | <u>15,819,181</u> | <u>737,560</u> | <u>16,556,741</u> | <u>17,138,539</u> | <u>784,808</u> | <u>17,923,348</u> |

19. TRUSTEES

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

The liability of each trustee is limited to £1 (2022-£1).

Eleven people served as trustees in year (2022-ten).

Notes to the Financial Statements For the Year Ended 31 March 2023

20. STATEMENT OF FUNDS

| | Restated As at 01- Apr 2022 £ | Income £ | Expenditure £ | Transfer £ | Investment gains or losses £ | Balance at 31-Mar 2023 £ |
|---------------------------------|--|-------------------|---------------------|---------------|---------------------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 11,732,699 | 30,929,471 | (32,248,829) | (9,146) | 0 | 10,404,194 |
| Designated funds | 82,799 | 0 | 0 | (11,627) | 0 | 71,172 |
| Operating cost reserve | 5,323,042 | 0 | 0 | 20,773 | 0 | 5,343,814 |
| Total unrestricted funds | 17,138,539 | 30,929,471 | (32,248,829) | 0 | 0 | 15,819,181 |
| Restricted funds | | | | | | |
| Land and buildings | 733,233 | 0 | (47,747) | 0 | 0 | 685,486 |
| Revenue grants | 51,576 | 45,900 | (45,401) | 0 | 0 | 52,074 |
| Total restricted funds | 784,808 | 45,900 | (93,148) | 0 | 0 | 737,560 |
| Total funds | 17,923,348 | 30,975,371 | (32,341,977) | 0 | 0 | 16,556,741 |

| | Restated As at 01-Apr 2021 £ | Restated Income £ | Expenditure £ | Transfer £ | Investment gains or losses £ | Restated Balance 31-Mar 2022 £ |
|---------------------------------|--|-------------------------|---------------------|---------------|---------------------------------------|--|
| Unrestricted funds | | | | | | |
| General funds | 13,409,958 | 31,320,221 | (32,143,003) | (1,017,477) | 163,000 | 11,732,699 |
| Designated funds | 0 | 0 | 0 | 82,799 | 0 | 82,799 |
| Operating cost reserve | 4,388,364 | 0 | 0 | 934,678 | 0 | 5,323,042 |
| Total unrestricted funds | 17,798,321 | 31,320,221 | (32,143,003) | 0 | 163,000 | 17,138,539 |
| Restricted funds | | | | | | |
| Land and buildings | 780,979 | 0 | (47,747) | 0 | 0 | 733,233 |
| Revenue grants | 53,785 | 45,000 | (47,209) | 0 | 0 | 51,576 |
| Total restricted funds | 834,764 | 45,000 | (94,955) | 0 | 0 | 784,808 |
| Total funds | 18,633,085 | 31,365,221 | (32,237,959) | 0 | 163,000 | 17,923,348 |

Notes to the Financial Statements For the Year Ended 31 March 2023

21. COMMITMENTS

UNDER OPERATING LEASES

As at 31st March 2023 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Operating lease commitments which are owed: | | |
| Within one year | 197,768 | 151,935 |
| In two to five years | 85,256 | 65,461 |
| After five years | 0 | 1,166 |
| | <u>283,024</u> | <u>218,562</u> |

PENSIONS

There are no unpaid defined contribution pension commitments at year end. See Retirement Benefit Scheme note for details of defined benefit pension commitments.

22. RESTRICTED FUNDS

| | Restated Balance 01-Apr 2022 £ | Incoming resources £ | Outgoing resources £ | Balance 31-Mar 2023 £ |
|-------------------------|--|----------------------------|----------------------------|--------------------------------|
| Ashwood Court Building | 540,995 | 0 | (23,269) | 517,726 |
| Ashwood Court Land | 143,284 | 0 | 0 | 143,284 |
| Kingshill Building | 48,953 | 0 | (24,478) | 24,475 |
| CSW Bolton | 46,159 | 45,900 | (45,401) | 46,658 |
| Bradford Carer Breaks | 275 | 0 | 0 | 275 |
| Bradford Carer Training | 5,142 | 0 | 0 | 5,142 |
| | <u>784,808</u> | <u>45,900</u> | <u>(93,148)</u> | <u>737,560</u> |

Ashwood Court land and building relates to the dwelling for the use as a residential home.

Kingshill building relates to the dwelling for the use as a residential home.

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.

| | Restated Balance 01-Apr 2021 £ | Restated Incoming resources £ | Outgoing resources £ | Restated Balance 31-Mar 2022 £ |
|-------------------------|--|--|----------------------------|--|
| Ashwood Court Building | 564,264 | 0 | (23,269) | 540,995 |
| Ashwood Court Land | 143,284 | 0 | 0 | 143,284 |
| Kingshill Building | 73,432 | 0 | (24,478) | 48,953 |
| CSW Bolton | 48,368 | 45,000 | (47,209) | 46,159 |
| Bradford Carer Breaks | 275 | 0 | 0 | 275 |
| Bradford Carer Training | 5,142 | 0 | 0 | 5,142 |
| | <u>834,764</u> | <u>45,000</u> | <u>(94,955)</u> | <u>784,808</u> |

Notes to the Financial Statements For the Year Ended 31 March 2023

23. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

| | 2023 | 2022 |
|----------------|-------------------|-------------------|
| | £ | £ |
| Cash | 1,819,371 | 3,212,074 |
| Investments | 6,608,583 | 7,552,395 |
| Trade debtors | 1,587,736 | 2,588,659 |
| Other debtors | 30,001 | 39,326 |
| Accrued Income | 1,301,045 | 632,883 |
| | <u>11,346,735</u> | <u>14,025,337</u> |

FINANCIAL LIABILITIES

| | 2023 | 2022 |
|-----------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 288,865 | 373,908 |
| Other creditors | 748,654 | 620,246 |
| Accruals | 784,336 | 1,542,361 |
| | <u>1,821,855</u> | <u>2,536,515</u> |

Reconciliation of net debt

Reconciliation to net cash flow to movement in net debt

| | At 1 April 2022 | Cash flows | Other changes | At 31 March 2023 |
|---------------------------|--------------------|---------------|------------------|---------------------|
| | £ | £ | £ | £ |
| Cash and cash equivalents | 3,212,074 | (1,392,703) | 0 | 1,819,371 |

Notes to the Financial Statements For the Year Ended 31 March 2023

24. RETIREMENT BENEFIT SCHEMES

Making Space currently operates seven pension schemes:

- a) Four 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 £512,001 (2022: £498,160).
- b) National Health Service pension fund. This is a defined benefit pension scheme for all eligible employees. The assets of these schemes are held separately by their National Health Service Superannuation Scheme. Contributions to the scheme are charged to the SOFA so as 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 meets the costs of increasing benefits each year by the rate of inflation. As a result 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 FRS102, the scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £3,860 (2022: £7,338).
- c) West Yorkshire Pension Fund. This is a defined benefit scheme for all eligible employees. The scheme is currently in surplus therefore no contributions are being made. The pension cost charge for the year amounted to £0 (2022: £0).
- d) The Lincolnshire Local Government Pension Fund. This is a defined benefit scheme for all eligible employees, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. The scheme is now closed. The pension cost for the year amounted to £0 (2022: £5,579).
- e) Darlington 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 agreement this scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £19,158 (2022: £22,680).

The amounts recognised in the balance sheet are as follows:

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Reconciliation of present value of plan liabilities | | |
| At the beginning of the year | 0 | 588 |
| Transfer in acquired scheme obligation | 0 | (588) |
| Current service cost | 0 | 0 |
| Interest cost | 0 | 0 |
| Contributions by scheme participants | 0 | 0 |
| Actuarial losses | 0 | 0 |
| Benefits paid | 0 | 0 |
| At the end of the year | 0 | 0 |

Notes to the Financial Statements For the Year Ended 31 March 2023

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Composition of plan liabilities | | |
| Schemes wholly or partly funded | 0 | 0 |
| Reconciliation of fair value of plan assets | | |
| At the beginning of the year | 0 | 425 |
| Transfer in acquired scheme assets | 0 | (425) |
| Interest income on plan assets | 0 | 0 |
| Actuarial gains | 0 | 0 |
| Contributions by group | 0 | 0 |
| Contributions by scheme participants | 0 | 0 |
| Benefits paid | 0 | 0 |
| At the end of the year | 0 | 0 |

25. RELATED PARTY TRANSACTIONS

Related party transactions between Making Space and Footsteps were £30,173 (2022 - £10,640) this year. This is made up of:

| | 2023 £'000 | 2022 £'000 |
|-------------|---------------|---------------|
| Staff costs | 25,534 | 9,665 |
| Other | 4,639 | 975 |
| | 30,173 | 10,640 |

There are no outstanding amounts at the year end.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

26. PRIOR YEAR RESTATEMENT

Income received in the form of a deficit funding grant was accounted for in restricted income. It has been determined this should have been accounted for under deferred income. This has necessitated a prior year restatement of £216,079 of money held, moving from restricted funds to current liabilities.

27. 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 £56,989 (2022-£56,849).

