



making space

Kind hearted care and support

**Annual Report & Financial
Statements for the year
ended 31st March 2024**

Company Registration No: 01642033

Registered Charity No: 512907

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Chair's welcome

Welcome to the Making Space Annual Report and Accounts for 2023-24. It is my pleasure to reflect on what has been another important year for our charity, and to present a summary of our activities over the past 12 months.

One of the highlights to celebrate this year is the development of our new strategic plan: Our Recipe for Success. Through this plan, our trustees set a clear direction for Making Space, helping us to meet the challenges we face today while preparing for future growth and development. The trustees have also undertaken a comprehensive review of their own skills and expertise, ensuring that our board remains strong, diverse, and equipped with the necessary experience to guide us forward – and helping us to identify any gaps that might need filling to ensure we can continue to deliver on our mission to improve lives.

The beating heart of Making Space continues to be our workforce, who have always provided the care and support that genuinely transforms lives. In a year filled with challenges, their dedication, resilience and compassion have shone through. Our people have always been the cornerstone of our success, and I am proud to share just a few examples of the great work they've done over the past year.

- **Service user involvement:** we have excelled in engaging service users. All of our services now have Making It Real plans in place, enabling the people we support to contribute to the design and delivery of services.
- **High-quality care:** 91 % of Making Space's Care Quality Commission registered services are rated as 'Good' or better, exceeding the national benchmark of 78 % for top-tier compliance. Only one service was marked as 'Requires Improvement', with another newly established service still awaiting inspection.
- **Service delivery:** another area where we excelled. The 673 frontline support workers who are part of our workforce completed 11,381 separate pieces of training in the 12 months to 31 March 2024, ensuring that Making Space provide a high quality workforce delivering quality care.

These achievements and many others like them are made possible by the leadership and vision of our trustees and executive team. I would like to extend my heartfelt thanks to each of them for their unwavering commitment to Making Space. Their expertise and guidance have steered us through a period of reflection and renewal, setting a strong foundation for the future. Their collective efforts have ensured that we remain adaptable and innovative in a constantly shifting landscape.

As we look ahead, it is impossible to ignore the uncertainty in the wider world. The health and social care sectors continue to face significant challenges, from funding pressures to workforce shortages. Despite these uncertainties, Making Space remains steadfast in its commitment to the people we support. Every decision we make is guided by our dedication to improving the quality of life for those in our care.

I would like to thank everyone who trusts us to be part of their journey. It is a privilege to walk alongside you, and we remain as committed as ever to delivering the highest standards of care and support.

Thank you for your continued support of Making Space. We are excited to build on this year's achievements and to embrace the opportunities and challenges that lie ahead.



Professor Mike Thomas
Chair of Trustees

Charity object and public benefit

Making Space exists to support people who need us, whether due to physical or mental illness, disability, or challenges such as learning disabilities and dementia. And we don't just support individuals—we're here for their families and carers too, making a real difference in their lives.

Our trustees, following the guidance of the Charities Act 2011, have ensured that everything we do provides clear public benefit. In 2023-24, we continued to deliver this benefit by offering essential care and support to individuals, their families, and carers as they navigate life's toughest challenges.

Our vision and mission

OUR VISION

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



OUR MISSION

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



Every action we take is guided by a set of core beliefs:

- Everyone matters and deserves a chance
- Everyone has a voice that's worth listening to
- Anyone can be affected by poor health
- Health challenges shouldn't stop you from finding joy and purpose
- Support should be available for anyone, whenever and however they need it
- We have the power to change lives - and we're committed to doing so
- There's always more work to be done, and we're ready for it



Our values in action

Developed alongside the people we support, our five values shape everything we do. These values aren't just words; they guide our decisions, our actions, and the way we treat people.



We lead with empathy, building a sense of belonging and treating everyone with warmth, kindness, and fairness. We listen without judgment and encourage each other to be our authentic selves.



Every relationship is unique, and we're committed to adapting our care to meet each individual's needs. We work as a team, sharing information and finding solutions together.



We're always looking for ways to exceed expectations, embrace creativity, and encourage others to take bold steps forward. Whether small or big, every success counts.



We stand up for what's right, embracing new ideas, taking managed risks, and learning from our mistakes. Together, we push boundaries to create positive change.



Change is constant, and we're ready for it. By planning ahead, communicating openly, and building strong relationships, we stay ahead of the curve and never stop growing.

Our services

For more than 40 years, Making Space has been empowering adults with care needs and their carers to live independent and fulfilling lives. From Cumbria to Cambridge, we deliver support where people need it—in their homes, local communities, and through specialist services.

Here's a selection of what we offer:

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

We cater to people with a variety of health and social care needs, from complex mental health challenges and learning disabilities to dementia and older age. Our caring and professional teams are dedicated to helping the people we support to thrive—ensuring they lead happy, enriched lives with positive outcomes.

Dignity, respect, and compassion are at the heart of everything we do. Our approach is based on co-production, which means we work hand-in-hand with the people we support to shape the care they receive. This people-centred approach is geared towards ensuring that those who use our services can say:

- “I live the life I want and stay safe and well”
- “I get the information I need when I need it”
- “I have access to support that helps me live my life”
- “I control my support, in my own way”
- “I receive considerate care from competent staff”
- “I decide the kind of support I need”

Making Space operates nationwide, with corporate services based in Warrington, in the heart of the North West. We’re organised into three divisions, led by regional heads of operations who are experts in managing health and social care services.

While most of our activities are in the North of England, we’re expanding across the Midlands, delivering a wide range of support in homes, communities, and specialised settings.

Our services are commissioned by Local Authorities and the NHS, aligning with the principles of the Care Act 2014 to deliver quality, cohesive adult social care in England.



Case study - Recovery Point, Stockport

Robert, a 30-year-old man, was referred to Recovery Point after experiencing a mental health decline following an unprovoked attack. Overwhelmed by stress and anxiety, he requested ward admission to stabilise his condition.

Robert agreed to a two-week stay in a crisis flat, receiving daily support from staff and collaborative care with the Home Treatment Team.

The service provided a safe environment in which to address his concerns, and he decided to extend his stay to four weeks. By the time he left, Robert had regained stability and avoided the need for a hospital bed.

Strategic Plan 2023/24

To bring to life our vision of putting wellbeing at the heart of health and social care, we identified four key pillars:

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

Strategic drivers

We navigated several critical factors that shaped our work. Here are some of the key ones:

- Growing demand for social care, especially for vulnerable and elderly people
- Rising complexity of care needs, with more care delivered at home
- Increasing pressure on public funding
- Workforce recruitment and retention challenges in a competitive market
- The need for innovative care models from providers
- Heightened regulatory standards from the CQC and Charity Commission
- The push for digital technology to transform frontline care

Measuring success

Our board of trustees track progress through key performance indicators (KPIs) across four areas:

Services we deliver <ul style="list-style-type: none">• Increase digital capacity in service design• Top quartile CQC compliance• Service utilisation compared to contract requirements	People we support <ul style="list-style-type: none">• Involving people in designing and delivering services• Offering a varied choice of volunteering roles• Service satisfaction audits
Our team <ul style="list-style-type: none">• Employee vacancy rates• Employee turnover rates• Operational workforce with a level 2 qualification	Finance and governance <ul style="list-style-type: none">• Actual total surplus vs budgeted surplus• Growing income while maintaining a healthy surplus

Looking ahead: our strategy for the next five years

In 2023/24, we refreshed our strategy with three key themes and objectives to guide us through the next five years:

Co-production

- Objective 1: Boost citizen involvement
- Objective 2: Prioritise quality care
- Objective 3: Expand our services to reach more people

Our people

- Objective 1: Strengthen our teams
- Objective 2: Inspire inclusive leadership
- Objective 3: Ensure everyone feels heard and valued

Sustainable future

- Objective 1: Achieve financial sustainability
- Objective 2: Embed environmental, social and governance (ESG) values
- Objective 3: Give back to our community

The new strategy titled “Recipe for Success” was produced during 2023-24 and launched in April 2024 through a series of interactive regional workshops, which all colleagues were invited to. In addition managers from across the organisation will visit individual workplaces to discuss the new strategy with colleagues. Action plans for these objectives are in development for 2024/25, ensuring we stay focused on delivering impactful and sustainable care for years to come.



People we support

In the last 12 months we have supported 14,317 people across the country, helping them to access the following services:

Service type	No. of people using the service
Regulated services	674
Supported living	926
Community services	12,717
Total	14,317

Feedback from parent carers who used our computerised cognitive behavioural therapy (cCBT) programme, developed to improve access to talking therapies for carers who struggle with emotional wellbeing.

“You’ve been amazing and positive throughout and I can’t thank you enough. I am in such a better place mentally than when we started. I am more motivated and positive and overall in a happier place, thank you.”

“It takes a lot for me to do things like this; I have gone through so many things in the past that hasn’t helped but this has.”

“This is the best course I have done for my mental health; it has helped change my outlook on life. I can’t thank you enough; it’s the only support I have had that has actually worked. I have even told people who are struggling with their mental health to do this. Thank you for sticking with me and helping me so much.”

“After having a difficult time caring for my daughter it is lovely to know people are there to help, they are kind and understanding. It is helpful to know that someone is there to talk to, you don’t realise how much this helps.”

Achieving our goals and key deliverables during 2023-24

Launching our strategic plan 2024-29

The new strategy titled “Recipe for Success” was produced during 2023-24 and launched in April 2024 through a series of interactive regional workshops, which all colleagues were invited to. In addition managers from across the organisation will visit individual workplaces to discuss the new strategy with colleagues. Action plans for these objectives are in development for 2024/25, ensuring we stay focused on delivering impactful and sustainable care for years to come.

Implement a new corporate website

A new corporate website has been developed with involvement from the people we support. It will be launched in Autumn 2024.

Agree an environmental action plan

Making Space has been part of an early adopter group with Eastside People assisting in the development of an Environmental, Social and Governance self-assessment tool. The output of this self-assessment and other environmental reporting and assessment will provide the baseline data to inform the final stage development of an action plan to be agreed during 2024-2025.

Strengthen our data collection to improve oversight on service performance

Performance information, covering finance, operations, people and quality is scrutinised monthly at the divisional level and feeds into our escalation and assurance loops. Exception reports are presented to the board's committees, offering a higher degree of organisational assurance. We have made significant improvements in data collection, which are enabling us to clearly identify trends, potential risks and good performance.

Develop and implement a new Dementia Strategy

We have reviewed our service provision for people living with dementia and this work is now incorporated into an organisation wide approach to developing service models.

Develop and implement a new Volunteer Strategy

We have developed a number of flexible pathways to volunteering and have committed to gaining the Investing in Volunteers Accreditation in 2024.

Develop and implement an enhanced quality governance and audit framework

We have a comprehensive Quality Assurance and Improvement plan in place, this requires further development to incorporate our whole approach to quality and integrated governance. We have also strengthened our audit framework introducing a new standardised audit schedule.

Review our service offer for Learning Disability, Mental Health and Older People

We have produced a portfolio of service models for the people we support.

Benchmark Making Space service costs against industry standards to ensure a value-for-money offer to commissioners

An internal review and challenge process has been established to assess the cost of Making Space services against industry standards through the evaluation of service tender outcomes and published data. This is an ongoing process involving colleagues from all areas of the organisation.

Implement a new Board Assurance Framework

Our Integrated Governance Framework (IGF) is at the heart of Board Assurance Framework. It aligns with our strategic priorities and serves as a key control mechanism. Key components of the IGF include: integrated reporting / dashboards, audit programmes and assessments against external standards, a programme of service visits, and customer and colleague feedback.

Case study - How our Cheshire East Young Carers service helped one young girl to understand her carer role better and manage her anxiety

An eight-year-old carer was referred for support after struggling to cope with her mother's depression, especially during the holidays. She cares for her younger brother and manages household tasks due to her mother's illness. Group sessions helped her understand her role, manage her anxieties, and connect with other young people in a similar situation. She now feels more supported by her school and is sleeping better. The young carer has a wider support network, improved school attendance, and her mother is engaging with external agencies. Both the girl and her family have a more positive outlook, and she's now proud of her role as a carer.

Key performance indicators

KPI	Benchmark	Target	Actual	Narrative
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	95 %	Nourish care planning system - significant progress has been made in embedding the system across all services
Provide high-quality care for the people who use our services	CQC compliance in top quartile % of services rates as good or above	90 % and above	91 %	There are currently 22 CQC registered services. Of these one is rated as 'Requires Improvement', one is a new service and one not currently rated (new service) - the remaining 20 services are rated 'Good'

KPI	Benchmark	Target	Actual	Narrative
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 %	Our delivery and performance has been maintained in accordance with contractual requirements
Actively involving people we support in the design and delivery of services	% of services with a Making it Real plan in place	70 % and above	100 %	Making it Real plans remain an important focus of our service delivery - over the year plans have been continuously improved to take account of differing service types and requirements across the organisation
Connecting people to their communities and others through volunteering	% of services with volunteer roles, actual verses plan	80 % and above	60 %	Our volunteer strategy is currently being implemented. To enhance our approach we are in the process of applying for Investors in Volunteers accreditation
Listening to the people we support to improve our services	% of services with service user feedback mechanisms in place	80 % and above	100 %	Services have a range of processes and engagement tools in place to gain feedback to enable us to continuously improve services for the people we support

KPI	Benchmark	Target	Actual	Narrative
Attract the right people with the right values in the right number	Vacancy % compared to 2020 Skills for Care Report of 7.3 %	6.5 % and below	8.4 %	Down from 15.2 % across the year. Recruitment slowly started to improve post Covid. We are also retaining 2/3 of new starters in the first six months of employment
Have a workforce that feels valued and rewarded	Turnover % compared to 2020 Skills for Care Report of 30.4 %	25 % and below	25 %	Turnover has gone down from 30.9 % to 25 %, again, post Covid it has slowly improved and is back on target. We have maintained paying the Real Living Wage
Develop our people's skills to their full potential	Operational colleagues qualified to at least level two compared to 2020 Skills for Care Report of 48.0 %	48.0 % and above	49.2 %	This has been slowly improving all year. We have more than 100 colleagues working towards awards and have a much-improved system in place for registrations and monitoring or awards
Main our financial viability	Achieve agreed annual budget deficit of £291,964	Better than budget	Actual deficit of £62,525	The main driver for this positive performance was better control of staff related costs. This led to an underspend of £113,157
Continue to grow so our positive impact is felt more widely	Achieve growth in income while generating a reasonable surplus	Income larger than previous year	Income has increased from £31.0m to £33.7m	Increase income by 8.7 % additional funding in existing contracts and new work won through tenders

When setting KPIs with the executive management team, our trustees aim for targets that drive improvement and push performance beyond the industry standard. Initially, we benchmarked service user outcomes and Care Quality Commission compliance against industry averages. But with our performance now exceeding those benchmarks, we focus on continuous improvement, raising the bar even higher. Employee-related KPIs are measured against care sector averages, primarily using data from Skills for Care.

Case study - How our Open Door service in Stockport helped an ex-soldier to manage his stress and anger

Bob, a 35-year-old ex-soldier with PTSD and ADHD, sought help at Open Door for stress and anger issues, stemming from his military experiences, in particular in Ukraine. These had left him struggling to control his temper.

The recovery worker provided a safe, non-judgmental space, engaged safeguarding and Prevent teams, and updated Bob's GP with his consent. Bob was supported in managing his vulnerabilities and eventually felt able to set future goals, such as pursuing a media course. He said he felt empowered by the compassionate care and ongoing support he received.

Financial review

Despite post-Covid challenges and navigating high inflation, we remained committed to our Strategic Plan (2020-2024), investing in both our people and care-enhancing technology. We also upheld our pledge to pay the Real Living Wage.

Our financial performance saw a significant turnaround, with an operating deficit of £62,525 this year—a sharp improvement compared to last year's deficit of £1,366,607. A key driver behind this progress was better staff recruitment, reducing our reliance on costly agency staff. Staff-related costs moved from £1,000,009 worse than budget to £113,157 better than budget.

Our total income grew by 8.7%, rising from £30.98 million in 2022-23 to £33.70 million in 2023-24, driven by contract funding increases and new business through successful tenders. While total expenditure increased by 4.4% to £33.76 million due to inflation.

Although our balance sheet showed a slight net decrease in funds, from £16.56 million to £16.49 million, we remain financially robust.

Reserves and going concern

We regularly review our reserves to ensure the charity's financial health. Our policy for 2023-24 was to invest any surplus funds beyond our two-month operating reserve of £5.58 million into new services. On 31 March 2024, our cash and short-term investments stood at £8.56 million, leaving £2.98 million available for new service investment. While £1.5 million was earmarked for property acquisition, only £109,000 was spent, allowing for flexibility amid financial uncertainties.

In March 2024, the board reaffirmed our policy of maintaining a two-month operating reserve, with other reserves to be designated during the budget process. These included:

Reserve Allocation	£m
Restricted Reserves	£0.682
Designated Fixed Assets	£7.365
Operating cost reserve	£5.582
Planned maintenance	£0.017
Asset purchase	£0.700
Investment reserve	£2.148
Total allocated	£16.494

Only the Operating cost reserve and Planned maintenance reserve have been formally designated on the balance sheet. The reason for not formally designating the other designated reserves on the Balance Sheet is because there is an additional degree of flexibility around these reserves and the charity is not tied into moving ahead with these without further Trustee approval.

Designated Fixed Assets

This figure relates to the unrestricted fixed assets held by the charity. This represents reserves already utilised to purchase assets which would take time to convert to cash in order to utilise in a different manner.

Operational cost reserve

This figure provides working capital for Making Space with regards to managing cash flow during the year and also provides funding to manage unexpected and unplanned events during the year. The cash value is equivalent to 2 months' worth of expenditure, based on the 2023-24 audited accounts, and is consistent with the amount provided for in previous years.

In addition this element of the reserve ensures funds are available to effectively "wind down" the charity, or parts thereof, should this be required at any point in time ensuring that vulnerable beneficiaries are protected and safeguarded. This is a prudent position to take as there are no "going concern" issues as confirmed in the annual audit of the financial statements.

Planned maintenance

Each year a contribution is made from services where we have a maintenance responsibility to a planned maintenance fund, the value of this annual contribution is approximately £100,000. Where funds are not spent at the end of the financial year the value of the underspend is carried forward in this designated fund to the following financial year.

The value of this carry forward for 2023-24 is £17,352 and so an equivalent value has been allocated for this purpose for use in the 2024-25 financial year.

Asset purchase

The designation of £700,000 relates to the anticipated purchase price and forecast future costs to complete the two projects in Rotherham and Sefton which are expected to be completed within the 2024-25 financial year.

Investment reserve

The investment reserve represents the remaining undesignated funds over and above the Operating cost reserve, as described above.

These funds are to be utilised in realising the strategic plan of increasing the revenue turnover of Making Space and as such are expected to be expended over the next 5 years.

Investments

Our trustees review investment strategies annually, maintaining a cautious approach by investing in cash with UK credit-referenced banks. To maximise returns, we consistently seek the best interest rates from multiple banks.

Fundraising practices

Our fundraising is led by an in-house team, including a fundraising manager and a fundraising coordinator, who oversee grant applications, public appeals and events. We do not use third-party professional fundraisers or agencies.

How our donations are spent

Cheshire East All Age Carers Hub were awarded £5,000 to provide bursaries for young carers. The grants bought essential items for their education including tablets, uniforms, PE kits, payments for school trips and other key equipment. The project helped to level up the experience of young carers in education and enabled them to have similar education experiences to other young people without care responsibilities.



How our donations are spent

A £5,000 grant allowed our support staff at two of our extra care housing schemes to bring a whole new world of happiness to residents. Residents at Hollymere and Hartley Place have been trying out a new piece of technology called the Happiness Programme. Using interactive light projections, the Happiness Programme encourages movement and interaction through fun activities.



As a registered charity with the Fundraising Regulator, we strictly adhere to the Fundraising Code and comply with all standards. No complaints were received about our activities this year, and we take extra care to protect vulnerable people during fundraising efforts. We always ensure donors are fully informed about the use of their gifts.

Risk management

Our board of trustees ensures that Making Space operates with sound financial management, effective internal controls, and a strategy that safeguards our financial health and assets. The board regularly reviews our strategy and plan throughout the year, staying alert to potential risks and challenges.

The board receives timely, accurate financial updates and expert advice, which allow them to confidently issue an annual assurance statement regarding our financial control systems. In March 2024, the board approved a new risk management policy outlining our approach to managing strategic and operational risk.

We use a comprehensive risk management framework to identify, prioritise and manage potential threats while making the most of new opportunities. Over the past year, we've updated our corporate risk register to better reflect current challenges, ensuring it remains a dynamic, living document. This register is reviewed regularly by both the finance and development committee and the board of trustees.

The board conducts biannual reviews of the risk register, ensuring proactive engagement in risk management. Key risks are flagged and actions to mitigate them are promptly initiated.

The risks with the highest combined impact and probability continue to be financial, largely driven by local authority funding pressures and narrow margins, which impact recruitment and the viability of some services. We manage these risks through negotiations for higher contract uplifts, efficiency improvements and innovative business strategies.

Another key risk relates to potential IT system or data loss, which we address through strong disaster recovery protocols and encryption software. Internal risks are minimised through consistent procedures, support and staff training.

We acknowledge that systems and controls can't guarantee absolute protection from risks, but the board remains confident that major risks have been identified and are being effectively managed.

Energy and carbon reporting

We recognise the challenges presented by climate change and the responsibility we have to reduce the impact Making Space 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	2023/24
		tCO2E
Direct (Scope 1)	Gas	367
Energy Indirect (Scope 2)	Electricity	0

Intensity metric	
Number of employees	1,010
Tonnes of CO2E	0.36

Assessment parameters

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

Our plans for 2024/25

We will:

- Ensure that the people we support are actively engaged with quality improvement across the organisation
- Achieve a volunteer accreditation
- Update our digital strategy
- Implement a new core finance system
- Reduce the use of agency staff by improving our bank staff capacity
- Explore merger and other acquisitive opportunities for business growth in line with our strategic plan, A Recipe For Success
- Develop a set of leadership behaviours to create greater consistency, accountability and alignment to value

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 Broadhurst	Appointed 25 September 2014 - Resigned 7 December 2023
E Johnstone	Appointed 22 June 2017
N Hormozi	Appointed 6 November 2019
M Jenkinson	Appointed 6 November 2019
K Wykes	Appointed 18 November 2021
M Thomas (Chair)	Appointed 8 December 2022
V Ukpong	Appointed 23 March 2023 - Resigned 2 April 2024
T Quinlan	Appointed 23 March 2023
V Carvalho	Appointed 23 March 2023

Chief Officers of Making Space

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

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

Structure, governance and management

Making Space is governed by its Memorandum & Articles of Association and is a registered charity with the Charity Commission. The board allows for up to 16 trustee posts, with seven positions filled at year-end. Trustees are elected at the annual general meeting (AGM) and serve for three years, with the option to seek re-election for up to three terms.

To strengthen our leadership, the board actively seeks new trustees. Applications and nominations are carefully reviewed against a skills matrix, and interviews assess competencies and alignment with the charity's goals. Once nominated, trustees are approved at the AGM, followed by a thorough induction that includes service visits, mentoring, and ongoing support from the Chair and other board members.

Day-to-day operations are managed by the CEO and senior leadership team (SLT) based at our head office in Warrington. This team oversees finance, operations, HR, and quality functions, regularly reporting to the board and its committees on both strategic and operational matters.

In compliance with the Mental Health Act 1983 (MHA), Making Space serves as the detaining authority (or 'hospital managers') for patients in our independent hospitals. The board holds responsibility for these patients, including decisions regarding discharge. To support these duties, the trustees appoint experienced 'associate hospital managers'.

We are committed to evidence-based care and maintaining high standards of patient experience. Our trustees follow comprehensive governance procedures, starting with an induction into The Charity Commission's Governance Code, including key principles such as integrity, risk management, board effectiveness, and accountability. Trustees also complete mandatory online training and undergo continuous development.

As part of our commitment to transparency, a review of senior officers' pay was conducted during the 2024/25 budget process, benchmarking salaries against external data. The board approved these figures, ensuring they aligned with sector standards.

While only the role of chair is eligible for remuneration under our governing documents, the decision was made in 2014 to offer payment for this position. Following legal advice and Charity Commission approval, a rate of £10,000 per year was set.

Employee engagement

We continued to maintain pay levels in line with the Real Living Wage. In April 2023, we made a pay award of 5–11.2%, raising the lowest wage from £9.90 to £10.90 per hour. We also ensured that pay differentials across operational roles stayed consistent with our pay and reward strategy.

Our Annual Colleague Awards returned for a second year, celebrating our staff's achievements. With more than 200 nominations, the awards ceremony in Liverpool saw nearly 175 colleagues gather in June 2023. Judged by external partners, trustees and others, the event was a huge success.



The Living our Values Awards continued monthly, with 12 awards given this year. We also extended these awards to recognise entire teams. Alongside this, we actively used our online recognition hub to showcase the dedication of our colleagues.

In communications, we've strengthened connections through quarterly video updates from our CEO, a new staff newsletter, and the launch of our Quality Matters publication, which focuses on quality and continuous improvement across the organisation.

To simplify policies and procedures, we launched a policy review group that is actively reviewing key policies, ensuring they are user-friendly and compliant.

Our colleagues' achievements were further recognised in external awards. We were proud to secure four wins at the Great British Care Awards and Housing with Care Awards, and were finalists at the Social Care Leadership Awards.

Positive about disability

At Making Space, we proudly hold Disability Confident Employer Level 1 status, underscoring our commitment to fostering an inclusive and supportive workplace. We take deliberate actions to ensure that people with disabilities and long-term health conditions feel empowered, engaged, and able to fulfil their potential with us.

As part of this, we guarantee an interview for all candidates with disabilities who meet the minimum criteria for a role. We also adapt our recruitment processes to be as flexible as possible, offering CV applications as an alternative to traditional forms when helpful. Once on board, we're committed to making workplace adjustments that support our colleagues with disabilities, helping them perform at their best.

Our dedication extends to ongoing equality and diversity training, covering areas like dementia, learning disabilities, and mental health awareness. We also meet the Oliver McGowan training standards, ensuring our workforce is well equipped to support people with autism and learning disabilities.



Qualifying indemnity provisions

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

Related parties and co-production with other organisations

Footsteps 2000 Ltd, which is a carers service specialising in supporting the families of those impacted by addiction, became a subsidiary of Making Space on 1 April 2021 and was dissolved on 9 July 2024, with all assets being transferred to Making Space.

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

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

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space bank account, as these are held on trust, they are excluded from the accounts of Making Space. The value held amounts to £57,596 (2023: £56,989).

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 31 March 2024 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
- vi) The need to act fairly between members of the charity.

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

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

b) The interests of the charity's employees:

The trustees affirm that the charity cannot function without the goodwill, hard work and dedication of its employees. 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 are 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.

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

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

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

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

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

e) **The desirability of the charity maintaining a reputation for high standards of business conduct:**

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

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

f) **The need to act fairly between members of the charity:**

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

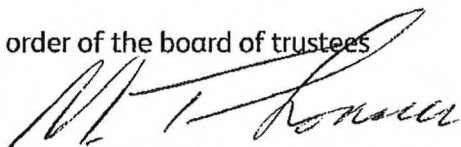
Statement as to disclosure of information to auditors

Insofar 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
- 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: 05 December 2024

Statement of 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.

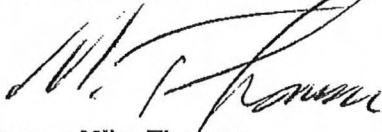
In preparing these financial statements, the Trustees are required to:

- 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

Date: 05 December 2024

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 2024 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 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our responsibilities and the responsibilities of the 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 directors 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.

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 Trustees' report which includes the strategic report and the directors' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, employment regulation, health and safety regulation, anti-money laundering regulation.

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 charity 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 charity 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 directors' 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, in particular in relation to income recognition (which we pinpointed to the cut off assertion), 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.

Use of the audit report

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



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

Date: 10 December 2024

Statement of Financial Activities

(incorporating the summary income and expenditure account)

Year ended 31st March 2024

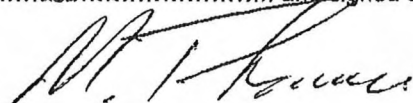
	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies		342,095	-	342,095	218,873
Charitable activities	2,8	33,069,205	46,818	33,116,023	30,453,214
Other trading activities	3	10,750	-	10,750	7,620
Investment income	4	200,986	-	200,986	130,231
Other income	5	30,528	-	30,528	165,433
Total income		33,653,564	46,818	33,700,382	30,975,371
Expenditure on:					
Charitable activities	7, 8, 10	33,660,368	102,540	33,762,908	32,341,977
Total expenditure		33,660,368	102,540	33,762,908	32,341,977
Net expenditure before gains/(losses)		(6,804)	(55,722)	(62,526)	(1,366,607)
Actuarial gains on defined benefit pension schemes	23	-	-	-	-
Net movement in funds		(6,804)	(55,722)	(62,526)	(1,366,607)
Total funds brought forward		15,819,181	737,560	16,556,741	17,923,348
Total funds carried forward	19	15,812,377	681,838	16,494,215	16,556,741

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

Balance Sheet as at 31st March 2024

	Note	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		8,002,852		8,193,266
Investments: cash and cash equivalents			5,212,146		6,608,583
			<u>13,214,998</u>		<u>14,801,849</u>
Current assets					
Debtors	14	3,236,913		3,516,996	
Cash at bank and in hand		<u>3,351,755</u>		<u>1,819,371</u>	
		<u>6,588,668</u>		<u>5,336,367</u>	
Creditors: amounts falling due within one year	15	<u>(3,309,449)</u>		<u>(3,581,474)</u>	
Net current assets			<u>3,279,219</u>		<u>1,754,893</u>
Total assets less current liabilities			<u>16,494,215</u>		<u>16,556,741</u>
Defined benefit pension scheme liability	23		-		-
Total net assets			<u>16,494,215</u>		<u>16,556,741</u>
Funds of the charity:					
Unrestricted funds	17, 19		15,812,377		15,819,181
Restricted funds	17, 19, 21		681,838		737,560
Total funds	19		<u>16,494,215</u>		<u>16,556,741</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 05 December 2024 and signed on its behalf by:



Professor Mike Thomas
Chair of Trustees

Date of signing: 05 December 2024

Statement of Cash Flows as at 31st March 2024

	2024 £	2023 £
Reconciliation of net expenditure to net cash flow from operating activities:		
Net expenditure	(62,526)	(1,366,607)
Adjustments for:		
Depreciation of tangible fixed assets	268,567	279,901
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	(200,986)	(130,231)
Profit on sale of fixed assets	(550)	(140,722)
(Increase)/decrease in stocks	-	-
Decrease in debtors	280,083	329,577
Decrease in creditors	(272,025)	(1,410,245)
Increase/(decrease) in pension liability	-	-
Net cash inflow from operating activities	<u>12,563</u>	<u>(2,439,188)</u>
 Net cash provided by/(used in) operating activities	 12,563	 (2,439,188)
Investing activities		
Dividends, interest and rents from investments	200,986	130,231
Proceeds on sales of property, plant and equipment	31,751	635,738
Purchase of property, plant and equipment	(109,353)	(663,297)
Proceeds from sale of investments	1,396,437	943,812
Purchase of investments	-	-
Net cash provided by/(used in) investing activities	<u>1,519,823</u>	<u>1,046,484</u>
 Change in cash and cash equivalents in the reporting period	 <u>1,532,384</u>	 <u>(1,392,703)</u>
 Cash and cash equivalents at the beginning of the reporting period	 <u>1,819,371</u>	 <u>3,212,074</u>
Cash and cash equivalents at the end of the reporting period	<u>3,351,755</u>	<u>1,819,371</u>

Making Space

Notes to the Financial Statements as at 31st March 2024

1 ACCOUNTING POLICIES

Company status

Making Space is a private company, limited by guarantee, and a charity, registered and incorporated in England & Wales, under the Companies Act and Charity Act. The Trustee Report includes the address of the registered office and details the principal activities of the charity. The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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 over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

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

Incoming resources

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

Grants, rents and service charges receivable

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

Notes to the Financial Statements as at 31st March 2024

Donations

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

Investment income

Investment income is accounted for when receivable.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of cash at the bank and notice accounts with original maturity of under ninety days. Investments: cash and cash equivalents consist of notice accounts with original maturity of greater than or equal to ninety days.

Investments

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, organizational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Notes to the Financial Statements as at 31st March 2024

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.

b) Defined contribution scheme

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.

Notes to the Financial Statements as at 31st March 2024

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 for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of cash at the bank and notice accounts with original maturity of ninety days or under.

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

Notes to the Financial Statements as at 31st March 2024

2) INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
Head office	-	-	-
Governance	-	-	-
Residential homes and independent hospitals	10,162,285	-	10,162,285
Social inclusion/day services	743,116	-	743,116
Improve access to psychological therapies	391,140	-	391,140
Carer support services including carer breaks	1,436,578	46,818	1,483,396
Community based dementia support	491,167	-	491,167
Supported housing	14,741,959	-	14,741,959
Extra care	5,102,960	-	5,102,960
	33,069,205	46,818	33,116,023

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
Head office	-	-	-
Governance	-	-	-
Residential homes and independent hospitals	9,140,438	-	9,140,438
Social inclusion/day services	907,946	-	907,946
Improve access to psychological therapies	445,839	-	445,839
Carer support services including carer breaks	1,310,866	45,900	1,356,766
Community based dementia support	694,314	-	694,314
Supported housing	13,285,470	-	13,285,470
Extra care	4,622,441	-	4,622,441
	30,407,314	45,900	30,453,214

3) INCOME FROM TRADING ACTIVITIES

	2024	2023
	£	£
Rental income	10,750	7,620
	10,750	7,620

4) INCOME FROM INVESTMENTS

	2024	2023
	£	£
Interest received	200,986	130,231
	200,986	130,231

Notes to the Financial Statements as at 31st March 2024

5) OTHER INCOMING RESOURCES

	2024 £	2023 £
Gains on disposal of tangible fixed assets	550	140,772
Sales of goods	6,956	4,681
Management fees	-	-
Miscellaneous income	23,022	19,980
	<u>30,528</u>	<u>165,433</u>

6) GOVERNMENT GRANTS

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

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	Governance costs £	Total 2024 £
Head office	-	3,298,244	-	3,298,244
Governance	-	-	91,863	91,863
Residential homes and independent hospitals	9,987,419	-	-	9,987,419
Social inclusion/day services	686,240	-	-	686,240
Improve access to psychological therapies	355,293	-	-	355,293
Carer support services including carer breaks	1,505,809	-	-	1,505,809
Community based dementia support	502,938	-	-	502,938
Supported housing	12,468,326	-	-	12,468,326
Extra care	4,866,775	-	-	4,866,775
	<u>30,372,801</u>	<u>3,298,244</u>	<u>91,863</u>	<u>33,762,908</u>
Unrestricted funds	30,270,261	3,298,244	91,863	33,660,368
Restricted funds	102,540	-	-	102,540
	<u>30,372,801</u>	<u>3,298,244</u>	<u>91,863</u>	<u>33,762,908</u>

	Direct costs £	Support costs £	Governance costs £	Total 2023 £
Head office	-	4,095,153	-	4,095,153
Governance	-	-	165,857	165,857
Residential homes and independent hospitals	9,058,321	-	-	9,058,321
Social inclusion/day services	789,502	-	-	789,502
Improve access to psychological therapies	403,038	-	-	403,038
Carer support services including carer breaks	1,236,170	-	-	1,236,170
Community based dementia support	513,461	-	-	513,461
Supported housing	11,374,499	-	-	11,374,499
Extra care	4,705,976	-	-	4,705,976
	<u>28,080,967</u>	<u>4,095,153</u>	<u>165,857</u>	<u>32,341,977</u>

Notes to the Financial Statements as at 31st March 2024

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Unrestricted funds	27,987,819	4,095,153	165,857	32,248,829
Restricted funds	93,148	-	-	93,148
	28,080,967	4,095,153	165,857	32,341,977

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

	Income	Costs	Net cost funded from other income
	2024	2024	2024
	£	£	£
Head office	-	3,298,244	(3,298,244)
Governance	-	91,863	(91,863)
Residential homes and independent hospitals	10,162,285	9,987,419	174,866
Social inclusion/day services	743,116	686,240	56,876
Improve access to psychological therapies	391,140	355,294	35,846
Carer support services including carer breaks	1,483,396	1,505,809	(22,413)
Community based dementia support	491,167	502,938	(11,771)
Supported housing	14,741,959	12,468,326	2,273,633
Extra care	5,102,960	4,866,775	236,185
	33,116,023	33,762,908	(646,885)

	Income	Costs	Net cost funded from other income
	2023	2023	2023
	£	£	£
Head office	-	4,095,153	(4,095,153)
Governance	-	165,857	(165,857)
Residential homes and independent hospitals	9,140,438	9,058,321	82,117
Social inclusion/day services	907,946	789,502	118,444
Improve access to psychological therapies	445,839	403,038	42,801
Carer support services including carer breaks	1,356,766	1,236,170	120,596
Community based dementia support	694,314	513,461	180,852
Supported housing	13,285,470	11,374,499	1,910,971
Extra care	4,622,441	4,705,976	(83,535)
	30,453,214	32,341,977	(1,888,763)

Notes to the Financial Statements as at 31st March 2024

9) ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs
	2024	2024	2024
	£	£	£
Chief Executive	220,691	-	220,691
Business Services	233,141	-	233,141
Finance	444,983	-	444,983
Development	210,087	-	210,087
IT	523,180	-	523,180
Human Resources	561,152	-	561,152
Marketing	230,314	-	230,314
Quality assurance	261,363	-	261,363
Central management	268,057	-	268,057
Membership, Voluntary and User Inclusion	160,295	-	160,295
Other	184,981	-	184,981
Audit fees	-	50,300	50,300
Trustee costs	-	40,563	40,563
Trustee indemnity insurance	-	1,000	1,000
	3,298,244	91,863	3,390,107

	Support costs	Governance costs	Total costs
	2023	2023	2023
	£	£	£
Chief Executive	314,289	-	314,289
Business Services	185,850	-	185,850
Finance	565,461	-	565,461
Development	285,950	-	285,950
IT	483,551	-	483,551
Human Resources	597,438	-	597,438
Marketing	245,004	-	245,004
Quality assurance	370,530	-	370,530
Central management	391,502	-	391,502
Membership, Voluntary and User Inclusion	104,641	-	104,641
Other	550,937	-	550,937
Audit fees	-	43,550	43,550
Trustee costs	-	121,307	121,307
Trustee indemnity insurance	-	1,000	1,000
	4,095,153	165,857	4,261,010

Notes to the Financial Statements as at 31st March 2024

10) ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs 2024 £	Other 2024 £	Depreciation 2024 £	Total 2024 £
Charitable expenditure				
Direct charitable expenditure	24,379,265	9,023,213	268,567	33,671,045
Governance costs	10,125	81,738	-	91,863
Total resources expended	24,389,390	9,104,951	268,567	33,762,908

	Staff costs 2023 £	Other 2023 £	Depreciation 2023 £	Total 2023 £
Charitable expenditure				
Direct charitable expenditure	23,079,070	8,817,960	279,091	32,176,121
Governance costs	7,820	158,037	-	165,857
Total resources expended	23,086,890	8,975,997	279,091	32,341,977

11) NET INCOMING/(OUTGOING) RESOURCES

	2024 £	2023 £
Net incoming/(outgoing) resources for the year are stated after charging/(crediting):		
Rentals under operating leases	182,218	177,018
Depreciation of tangible fixed assets – owned	268,567	279,091
(Surplus)/deficit on disposal of fixed assets	(550)	(140,772)
Auditor's remuneration for the audit of the Charity's annual accounts	50,300	43,550

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES

Staff costs comprise:	2024 £	2023 £
Wages and salaries	19,598,817	18,045,347
Agency costs	2,650,140	2,798,726
Social security costs	1,512,527	1,426,272
Pension costs	528,710	565,751
Termination and redundancy costs	99,196	250,794
	24,389,390	23,086,890

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

	Actual employees	
	2024 No.	2023 No.
Management	23	29
Administration	24	34
Operational	963	961
	1,010	1,024

Notes to the Financial Statements as at 31st March 2024

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES (CONTINUED)

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

	2024 No.	2023 No.
£60,000 to £70,000	1	-
£70,000 to £80,000	4	-
£80,000 to £90,000	-	1
£90,000 to £100,000	1	1
£100,000 to £110,000	1	-
£110,000 to £120,000	1	1
£120,000 to £130,000	-	2
£130,000 to £140,000	1	1
	<hr/> 9	<hr/> 6

Retirement benefits are accruing under a defined contribution scheme for these nine employees (2023: six). Total contributions paid in the year for the six employees was £51,294 (2023: £108,760).

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

£99,196 has been paid in redundancy costs due to a restructure and contracts being downsized or ended.

TRUSTEE EXPENSES

Professional indemnity insurance has been taken out on behalf of trustees at a cost of £1,000 (2023: £1,000)

The secretarial and administrative cost of the Board of Trustees was £30,563 (2023: £113,585) for the nine trustees who served in 2024 (2023: eleven). Within this total an amount of £824 was paid to trustees as expenses (2023: £1,060).

Remuneration of £10,000 (2023: £7,722) was paid to one (2023: one) trustee during the year.

KEY MANAGEMENT COSTS

Key management personnel for the charity is made up of unpaid trustees, paid chair, and the four-strong executive management team, those who are known as chief officers on page 19.

The total employee benefits of the executive management team was £498,640 (2023: £711,638).

Notes to the Financial Statements as at 31st March 2024

13) INTANGIBLE AND TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

a) Other fixed assets

	Assets under construction	Freehold land and buildings	Long leasehold property	Fixtures and equipment	Motor vehicles	Total tangible assets
Cost	£	£	£	£	£	£
At 1 April 2023	314,672	8,768,097	2,353,109	340,836	83,467	11,860,181
Additions	109,353	-	-	-	-	109,353
Disposals	-	-	-	(45,660)	(9,565)	(55,225)
At 31 March 2024	424,025	8,768,097	2,353,109	295,176	73,902	11,914,309
Depreciation						
At 1 April 2023	-	1,685,527	1,761,222	182,180	37,985	3,666,914
Additions	-	160,078	47,783	45,801	14,905	268,567
Released on disposals	-	-	-	(14,459)	(9,565)	(24,024)
At 31 March 2024	-	1,845,605	1,809,005	213,522	43,325	3,911,457
Net book value						
As at 31 March 2024	424,025	6,922,492	544,104	81,654	30,577	8,002,852
As at 31 March 2023	314,672	7,082,570	591,887	158,656	45,482	8,193,267

Freehold land and buildings include a specific property with a net book value of £637,742 (2023: £661,011). 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 £Nil (2023: £24,475). 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) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	1,913,097	1,587,736
Other debtors	39,373	30,001
Prepayments and accrued income	1,284,443	1,899,259
	<u>3,236,913</u>	<u>3,516,996</u>

Notes to the Financial Statements as at 31st March 2024

15) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	264,857	288,865
Other creditors	679,202	748,654
Accruals	659,007	784,336
Deferred income	1,241,504	1,355,668
Taxation and social security	464,879	403,951
	<u>3,309,449</u>	<u>3,581,474</u>

16) DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2024	2023
	£	£
Balance at 1 April	1,355,668	1,971,926
Fees deferred in the year	1,241,504	1,355,668
Fees released from previous years	(1,355,668)	(1,971,926)
Balance at 31 March	<u>1,241,504</u>	<u>1,355,668</u>

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

17) ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
Tangible fixed assets	7,365,108	637,742	8,002,850
Intangible fixed assets	-	-	-
Stocks and debtors	3,236,913	-	3,236,913
Cash at bank (including short term investments)	8,519,805	44,096	8,563,901
Current liabilities	(3,309,449)	-	(3,309,449)
Pension liability	-	-	-
	<u>15,812,377</u>	<u>681,838</u>	<u>16,494,215</u>

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
Tangible fixed assets	7,507,780	685,486	8,193,266
Intangible fixed assets	-	-	-
Stocks and debtors	3,516,996	-	3,516,996
Cash at bank (including short term investments)	8,375,879	52,074	8,427,953
Current liabilities	(3,581,474)	-	(3,581,474)
Pension liability	-	-	-
	<u>15,819,181</u>	<u>737,560</u>	<u>16,556,741</u>

18) TRUSTEES

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

The liability of each trustee is limited to £1 (2023: £1).

Eight people served as trustees in year (2023: eleven).

Notes to the Financial Statements as at 31st March 2024

19) STATEMENT OF FUNDS

	As at 1 April 2023	Income	Expenditure	Transfer	Balance as at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General funds	10,404,194	33,653,564	(33,660,368)	(184,745)	10,212,645
Designated funds	71,172	-	-	(53,831)	17,341
Operating cost reserve	5,343,815	-	-	238,576	5,582,391
Total unrestricted funds	15,819,181	33,653,564	(33,660,368)	-	15,812,377
Restricted funds					
Land and buildings	685,486	-	(47,744)	-	637,742
Revenue grants	52,074	46,818	(54,796)	-	44,096
Total restricted funds	737,560	46,818	(102,540)	-	681,838
Total funds	16,556,741	33,700,382	(33,762,908)	-	16,494,215

	As at 1 April 2022	Income	Expenditure	Transfer	Balance as at 31 March 2023
	£	£	£	£	£
Unrestricted funds					
General funds	11,732,699	30,929,471	(32,248,829)	(9,146)	10,404,194
Designated funds	82,799	-	-	(11,627)	71,172
Operating cost reserve	5,323,042	-	-	20,773	5,343,815
Total unrestricted funds	17,138,539	30,929,471	(32,248,829)	-	15,819,181
Restricted funds					
Land and buildings	733,233	-	(47,747)	-	685,486
Revenue grants	51,576	45,900	(45,401)	-	52,074
Total restricted funds	784,808	45,900	(93,148)	-	737,560
Total funds	17,923,348	30,975,371	(32,341,977)	-	16,556,741

20) COMMITMENTS

UNDER OPERATING LEASES

As at 31 March 2024 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2024	2023
	£	£
Operating lease commitments which are owed:		
Within one year	164,038	197,768
In two to five years	64,099	85,256
After five years	-	-
	<u>228,137</u>	<u>283,024</u>

PENSION

There are £nil defined contribution pension commitments not included in the balance sheet at the year end. See retirement Benefit Scheme note for details of defined benefit pension commitments.

Notes to the Financial Statements as at 31st March 2024

21) RESTRICTED FUNDS

	Balance 1 April 2023	Income 2024	Expenditure 2024	Balance 31 March 2024
	£	£	£	£
Ashwood Court Building	517,726	-	(23,269)	494,457
Ashwood Court Land	143,284	-	-	143,284
Kingshill Building	24,475	-	(24,475)	-
CSW Bolton	46,658	46,818	(54,796)	38,680
Bradford Carer Breaks	275	-	-	275
Bradford Carer Training	5,142	-	-	5,142
	737,560	46,818	(102,540)	681,838

Ashwood Court Land and Building relates to the dwelling for the use as residential home.

Kingshill Building relates to the dwelling for the use as 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.

	Balance 1 April 2022	Income 2023	Expenditure 2023	Balance 31 March 2023
	£	£	£	£
Ashwood Court Building	540,995	-	(23,269)	517,726
Ashwood Court Land	143,284	-	-	143,284
Kingshill Building	48,953	-	(24,478)	24,475
CSW Bolton	46,159	45,900	(45,401)	46,658
Bradford Carer Breaks	275	-	-	275
Bradford Carer Training	5,142	-	-	5,142
	784,808	45,900	(93,148)	737,560

22) FINANCIAL INSTRUMENTS

	2024	2023
	£	£
FINANCIAL ASSETS		
Cash	3,351,755	1,819,371
Investments	5,212,146	6,608,583
Trade debtors	1,913,097	1,587,736
Other debtors	39,373	30,001
Accrued income	675,396	1,301,045
	11,191,767	11,346,735
	2024	2023
	£	£
FINANCIAL LIABILITIES		
Trade creditors	264,857	288,865
Other creditors	679,202	748,654
Accruals	659,007	784,336
	1,603,066	1,821,855

Notes to the Financial Statements as at 31st March 2024

RECONCILIATION OF NET DEBT

Reconciliation of net cash flow to movement in net debt

	At 1 April 2023	Cash flows	Other changes	At 31 March 2024
	£	£	£	£
Cash and cash equivalents	1,819,371	1,532,384	-	3,351,755

23) RETIREMENT BENEFIT SCHEMES

Making Space operates four defined contribution personal pension schemes for employees. 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 £551,386 (2023: £512,001).

24) RELATED PARTY TRANSACTIONS

The Charity commission and membership approved a change to Making Space's governing document which allow a payment of up to £10,000 per year to the Chair. The Chair received a payment of £10,000 (2023: £7,722) this year.

The following trustees received reimbursed expenses for the year end 31 March 2024:

Elaine Johnstone	£137.15
Tim Quinlan	£566.29
Katharine Wykes	£120.40

Key management personnel and trustees remuneration is noted in early notes.

Related party transactions between Making Space and Footsteps were £Nil (2023: £30,173) this year.

25) POST BALANCE SHEET EVENTS

Footsteps 2000 was the only subsidiary company of Making Space and in 2023 it was determined by the Trustees of Footsteps 2000 that the charity was no longer viable, due to a lack of sustainable funding, and the decision was taken to dissolve the company with the trade and assets transferred to Making Space on 1 October 2023. On 23 February 2024 an application was made to Companies House to dissolve Footsteps 2000 with the Company being formally dissolved on 9 July 2024.

26) 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 £57,596 (2023: £56,989).