

Charity Registration No. 1176459

Company Registration No. 10933982 (England and Wales)

CAREFREESPACE

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CAREFREESPACE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E. Blewett J. Khan S.M.L. Philbrick J. Ricketts D. Myers	(Appointed 8 July 2021)
Charity number	1176459	
Company number	10933982	
Registered office	The Finsbury Business Centre 40 Bowling Green Lane London England EC1R 0NE	
Independent examiner	Andrew Subramaniam HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom	

CAREFREESPACE

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, its Articles of Association adopted 25/08/2017 (as amended 14/12/2017) as , the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are:

- the relief of need of unpaid carers and those they care for, and therefore improving their conditions of life; and
- the advancement of health by advancing both the mental and physical health of unpaid carers, and those they care for.

Carefree's mission is to fuel the future of unpaid caring.

According to Carers UK, 3 in 5 people will become an unpaid carer. 72% of carers suffer mental ill-health and 90% experience social isolation and loneliness as a result of caring .

During the pandemic, the value of care provided by family members and friends was estimated at £193 billion a year. It's more important than ever to invest in unpaid carers' wellbeing to bring about sustainability in social care and our wider society.

Caring is the invisible but invaluable act of citizenship without which our health and social care system cannot survive. Carefree is reimagining how those who give unpaid care are recognised and supported within their communities. With our partners, we are transforming donated and often passive assets like vacant hotel rooms, into active resource: respite accommodation for carers. In so doing, we are co-creating a Caring Economy that helps to sustain caregiving without additional cost to the public purse.

Our ambition, our 'moonshot', is to convert 1% of the estimated 1 million UK hotel rooms left unsold each week into short-stay accommodation for those in critical need of time away from their caring responsibilities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Our core focus is to identify unpaid carers in need of personal time away from their caring responsibilities, to build out a network of third-sector partner organisations that can refer such carers to Carefree, and to encourage accommodation providers to donate and host short stays for carers.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

2021 Summary

This was a pivotal year for Carefree in which the charity proved and demonstrated the success of its model. It was also a year where our activities continued to be severely hampered by Covid lockdowns. Hospitality providers were unable to open and carers were naturally cautious in feeling able to take a break.

In Spring 2021 we ran a mini-release/trial of our brand new Breaks Hub, through which 52 carers booked a break away. This was achieved through close collaboration with our tech partner, Impala, whose technology is a core part of our platform.

Then, in November 2021, we fully re-launched access to our Breaks Hub to all unpaid carers registered with us. 215 unpaid carers booked a break through Carefree in eight weeks and 92% of them said they couldn't have taken a break without our services.

We also expanded our Community Partner network to 79 organisations across the UK and 881 unpaid carers were referred to us or signed up independently in 2021.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Crucially, Carefree secured major partnerships with five of the largest independent hotel groups in the UK. Leading into 2022, we have secured £2.4m in donated accommodation for unpaid carers, which represents circa 2,000 nights donated per month on a rolling basis by participating hotels.

Unpaid carers

"Carefree is so easy for organisations and carers to access. It promotes carer issues further than health and social care and encourages the private sector to be part of a wider solution." - Kim Terry, Community Partner at Worcestershire Association of Carers

Strategic Goal

- To afford every unpaid carer the opportunity of a short break from their caring responsibilities.
- To improve the conditions of life and mental and physical health of unpaid carers.

2021 Objectives

To drive referrals to Carefree and provide carers access to booking a break away, our objectives were to:

- Identify and secure new partnerships with professional Carer Support Organisations (CSOs) and Local Authorities (collectively 'Community Partners') that can identify, verify and refer to Carefree, unpaid carers in need of respite
- Develop marketing and communications to drive referral numbers and ready unpaid carers to book a break away.

2021 Achievements & Impact

- Growth from 56 to 79 CSOs signed up by end of 2021, who referred 551 carers. 94% of CPs rated our online referral process as 8/10 or higher and two-thirds cited strengthened voluntary sector delivery of breaks as a key benefit of Carefree's work
- Significant growth in carers signing up through our self-referral route - 330 in year.
- 215 breaks booked by carers
- Following a break away with Carefree, 94% of carers stated that their wellbeing improved following their break.

Next Steps

- In 2022, we are planning to facilitate 4,000 carers breaks
- We will continue to promote our self-referral tool to drive new registrations of 'hidden carers'
- Across the year we will build new and deeper relationships with referral partners and register new carers onto our platform.

Accommodation Providers

"I would encourage all hotels to become involved in this. The more partners we have, the more accommodation we can share with carers who need this gift for their wellbeing." - Philip Gardner, Commercial Director, The Q Hotels Collection

Strategic Goal

- To source excess capacity from the hospitality industry such that vacant accommodation can be transformed into both a charitable asset and support the providers' ESG goals.

2021 Objectives

- To secure high levels of donated nights from a range of accommodation providers.

2021 Achievements & Impact

- Significant success, with 5 of the UK's largest independent hotel groups signed up, enabling 2,000 hotel nights per month donated on a rolling basis. Accommodation donors include: Bespoke Hotels, Cymas Hospitality, Sleeperz Hotels, The Q Hotels Collection and Village Hotels.

Next Steps

- Broadening up sustainable hotel supply to ensure coverage across the UK and especially in places with high concentrations of unpaid carers registered with Carefree.
- Establishing Carefree as the hotel industry's leading ESG solution through the 'Carefree Breakmaker' mark.

Technology

Strategic Goal

- To create an automated platform that facilitates carer verification and multi-channel access to real-time donated accommodation availability.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2021 Objectives

- To launch a brand new version of Carefree's Breaks Hub.

2021 Achievements & Impact

- Successful mini-release/trial and full launch of the Breaks Hub, with 215 breaks booked by unpaid carers in 2021 to brilliant feedback: 91% of carers that booked a break with Carefree scored the booking platform as 8/10 or higher for ease of use
- Secured partnership with leading travel tech company Impala to enable hotel partners to easily distribute their donated inventory through Carefree's Breaks Hub. This partnership has since won the Best Digital Innovation Award at the Third Sector Business Charity Awards in May 2022.

Next Steps

- Continued optimisation of the Breaks Hub to maximise 'conversion' of carers to increase breaks bookings to the capacity available.

Finance and Fundraising

Strategic Goal

- To achieve a financially self-sustaining business by 2027.

2021 Objectives

- To begin to diversify our income streams and raise £280k (inclusive of funds required for Q1 2022) through a combination of earned income, public donations and new grant commitments.

2021 Achievements & Impact

- Importantly for proving Carefree's long-term model, carers successfully booked breaks and paid the £25 administration fee, resulting in £4,625 earned/trading income in 2021.
- We also received some of our first income from public/mass donations, through an Aviva Community Fund Crowdfunder campaign, raising over £7,000.
- Previous grant funders also stepped forward to provide further financial support for Carefree and bridge the organisation through the pandemic, including Baillie Gifford, The National Lottery Fund and The Swire Charitable Trusts.
- Key restricted income received in the period included:
 - Postcode Innovation Trust - the remainder of the two-year hybrid funding totalling £250,000 available over 2 years with a £62,500 grant + £62,500 loan received in 2021 - the loan funding is repayable over 7 years.
 - National Lottery Community Fund Grants - £127,833, covering core staff salaries, IT software, and a small separate support grant towards the development of short films to raise awareness of our work (£5,000).
- In 2021, we achieved just less than half of our £280k funding target but we were able to successfully stabilise the organisation's financial position by delaying staff hires and cutting costs to ensure a healthy carry forward in the next financial year.

Next Steps

- Significantly increase earned income from the growth in breaks booked as forecasted in 2022.
- Securing new multi-year grants and a higher level of philanthropic funding to grow staff numbers and raise Carefree's visibility nationally, both requisites to ensure scalable growth.

Risk Management

Strategic Goal

- To maintain a robust and transparent framework for forecasting, monitoring and addressing the risks faced by Carefree, notably those relevant to a tech digital charity offering innovative services.

2021 Objectives

- To recruit high-calibre trustees, staff and advisers to originate, implement and oversee policies and procedures sufficient to ensure appropriate standards of corporate governance and risk management.

2021 Achievements & Impact

- This year has included a review of key Policies & Procedures.
- A new Trustee with extensive Hospitality experience was added to the board, providing increased oversight and strategic direction on this core aspect of Carefree's strategy.
- Effective use of a risk management model that calibrated changes in identified strategic risks on a timely basis.

Next Steps

- Continued attention to quality and relevance of Policies & Procedures and planned adoption of the Charity Governance Code.
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CAREFREESPACE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The total restricted income received for £198,730 (2020: £218,163) and unrestricted income received for £138,719 (2020: £237,361) for the year ending 31 December 2021.

The reserves policy sets a goal for the charity to hold three months of average core expenses in the reserve. These expenses include people costs, premises costs, and professional services. The average of core expenses is calculated annually at the time the budget for each year is established and agreed by the Trustees. Operating in a Covid lockdown environment meant it was not possible to achieve this goal; the goal however remains in place.

Aside from the operating reserve, no other reserves are currently deemed necessary by the Trustees.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is controlled by its governing document, its Articles of Association adopted 25/08/2017 (as amended 14/12/2017) as defined by the Companies Act 2006.

From August 2016 to August 2017 Carefree operated informally as a project led by its Founders, Charlie and James Ricketts. On 25 August 2017 Carefree was incorporated under registered number 10933982 (England & Wales) and, on 28 December 2017, it was entered onto the Register of Charities under number 1176459.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E. Blewett

J. Khan

S.M.L. Philbrick

J. Ricketts

D. Myers

R.D. Parker

D.A. Sloan

(Appointed 8 July 2021)

(Resigned 10 December 2021)

(Resigned 18 August 2021)

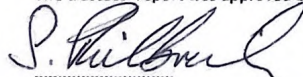
Organisational structure

The charity is governed by an independent Board that offers its time, skills and guidance without charge. The Board reviews business plans and resource deployment in the context of Carefree's Theory of Change and mission to promote social change. The Board delegates day-to-day management of the charity to the Chief Executive and senior management. The senior managers are tasked with implementing the strategy and policies adopted by, and within a budget approved by, the Trustees. Senior management reports regularly to the trustees on the activities undertaken in managing the charity.

Executive team, Volunteers and Consultants

Carefree has four full-time senior managers, Charlotte Newman (CEO), Joey Ceunen (Chief Technology Officer), Peter Causer (Director of Sustainability & Impact), Stella Hart (Director of Hospitality Partnerships). Cognisant of the need to manage fixed costs, we have elected to support the executive team with paid-for technology, legal, innovation and tax consultancy. We also receive significant support from the tech community with 31 software companies providing their tools at free or discounted rates.

The trustees' report was approved by the Board of Trustees.



S.M.L. Philbrick

Trustee

Dated: 29.6.22

CAREFREESPACE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Carefreespace for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which 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 charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

CAREFREESPACE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CAREFREESPACE

I report to the trustees on my examination of the financial statements of Carefreespace (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Andrew Subramaniam
Andrew Subramaniam
HW Fisher LLP

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 29 Jun 2022

CAREFREESPACE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	3	132,219	190,333	322,552	236,586	191,042	427,628
Charitable activities	4	4,625	-	4,625	-	-	-
Investments	5	1,875	-	1,875	625	-	625
Other income	6	-	8,397	8,397	150	27,121	27,271
Total income		138,719	198,730	337,449	237,361	218,163	455,524
Expenditure on:							
Charitable activities	7	173,997	231,028	405,025	242,991	204,992	447,983
Net gains/(losses) on investments	11	3,125	-	3,125	(22,750)	-	(22,750)
Net outgoing resources before transfers		(32,153)	(32,298)	(64,451)	(28,380)	13,171	(15,209)
Gross transfers between funds		(34,747)	-	-	-	-	-
Net movement in funds		(66,900)	2,449	(64,451)	(28,380)	13,171	(15,209)
Fund balances at 1 January 2021		66,265	14,759	81,024	94,645	1,588	96,233
Fund balances at 31 December 2021		(635)	17,208	16,573	66,265	14,759	81,024

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CAREFREESPACE

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		3,419		5,232
Investments	13		28,500		25,375
			<u>31,919</u>		<u>30,607</u>
Current assets					
Debtors	15	8,716		8,502	
Cash at bank and in hand		108,332		105,323	
		<u>117,048</u>		<u>113,825</u>	
Creditors: amounts falling due within one year	17	(17,343)		(908)	
		<u></u>		<u></u>	
Net current assets			99,705		112,917
Total assets less current liabilities			<u>131,624</u>		<u>143,524</u>
Creditors: amounts falling due after more than one year	18		(115,051)		(62,500)
			<u></u>		<u></u>
Net assets			<u>16,573</u>		<u>81,024</u>
Income funds					
Restricted funds	19		17,208		14,759
Unrestricted funds			(635)		66,265
			<u>16,573</u>		<u>81,024</u>

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BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

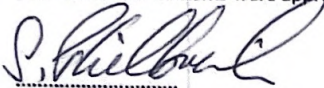
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29.6.22



S.M.L. Philbrick

Trustee

Company Registration No. 10933982

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Carefreespace is a private company limited by guarantee incorporated in England and Wales. The registered office is The Finsbury Business Centre, 40 Bowling Green Lane, London, England, EC1R 0NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, its Articles of Association adopted 25/08/2017 (as amended 14/12/2017) as defined by the Companies Act 2006, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on an accrual basis. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs; and also the costs incurred by the charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	11,719	-	11,719	36,586	62,500	99,086
Grants	120,500	190,333	310,833	200,000	128,542	328,542
	<u>132,219</u>	<u>190,333</u>	<u>322,552</u>	<u>236,586</u>	<u>191,042</u>	<u>427,628</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	2021 Unrestricted £	2020 Unrestricted £
Administrative Fee Income	4,625	-

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	1,875	625

6 Other income

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Tech discounts received	8,397	-	27,121	27,121
Other income	-	150	-	150
	8,397	150	27,121	27,271

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	2021 £	2020 £
Staff costs	268,198	215,514
Advertising and marketing	20,898	17,100
Consulting	35,087	60,085
Tech development	11,332	31,859
Entertainment	-	1,379
IT Software and consumables	34,334	39,976
Telephone and internet	999	1,935
Rent	3,504	41,484
Travel and subsistence	2,083	4,488
Subscriptions, training and research	2,219	5,981
Subsistence, travel and meetings	1,734	2,405
	<u>380,388</u>	<u>422,206</u>
Share of support costs (see note 8)	11,083	6,477
Share of governance costs (see note 8)	13,554	19,300
	<u>405,025</u>	<u>447,983</u>
Analysis by fund		
Unrestricted funds	173,997	242,991
Restricted funds	231,028	204,992
	<u>405,025</u>	<u>447,983</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Depreciation	2,900	-	2,900	2,821	-	2,821
Bank charges	582	-	582	507	-	507
Postage, printing and office supplies	151	-	151	618	-	618
Insurance	2,812	-	2,812	2,531	-	2,531
Bank revaluation	263	-	263	-	-	-
Interest on loan	1,889	-	1,889	-	-	-
Recruitment expense	2,486	-	2,486	-	-	-
Accountancy	-	13,262	13,262	-	11,405	11,405
Legal and professional	-	292	292	-	7,895	7,895
	<u>11,083</u>	<u>13,554</u>	<u>24,637</u>	<u>6,477</u>	<u>19,300</u>	<u>25,777</u>
Analysed between Charitable activities	<u>11,083</u>	<u>13,554</u>	<u>24,637</u>	<u>6,477</u>	<u>19,300</u>	<u>25,777</u>

Governance costs totaling £13,262 (2020- £11,405) include payments to the independent examiner for independent examination.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>6</u>	<u>4</u>
Employment costs	2021 £	2020 £
Wages and salaries	241,164	194,501
Social security costs	22,144	17,036
Other pension costs	4,890	3,977
	<u>268,198</u>	<u>215,514</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Net gains/(losses) on investments

Unrestricted funds Unrestricted funds

2021 2020
£ £

Revaluation of investments	3,125	(22,750)
	<u> </u>	<u> </u>

12 Tangible fixed assets

Computers
£

Cost

At 1 January 2021	10,515
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Additions	1,087
	<u> </u>

At 31 December 2021	11,602
	<u> </u>

Depreciation and impairment

At 1 January 2021	5,283
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Depreciation charged in the year	2,900
	<u> </u>

At 31 December 2021	8,183
	<u> </u>

Carrying amount

At 31 December 2021	3,419
	<u> </u>

At 31 December 2020	5,232
	<u> </u>

13 Fixed asset investments

Listed investments
£

Cost or valuation

At 1 January 2021	25,375
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Valuation changes	3,125
	<u> </u>

At 31 December 2021	28,500
	<u> </u>

Carrying amount

At 31 December 2021	28,500
	<u> </u>

At 31 December 2020	25,375
	<u> </u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	28,500	25,375
15	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Other debtors	2,784	5,905
	Prepayments and accrued income	5,932	2,597
		8,716	8,502
16	Loans and overdrafts	2021	2020
		£	£
	Other loans	125,000	62,500
	Payable within one year	9,949	-
	Payable after one year	115,051	62,500
		17,343	908
17	Creditors: amounts falling due within one year	2021	2020
		£	£
	Loan from Postcode Innovation Trust	9,949	-
	Other creditors	1,200	908
	Accruals and deferred income	6,194	-
		17,343	908
18	Creditors: amounts falling due after more than one year	2021	2020
		£	£
	Loan from Postcode Innovation Trust	115,051	62,500

Loan from Postcode Innovation Trust. It holds a floating charge over the company's assets in respect of the loan. The annual interest of the loan is 3% and repayment starts from January 2022.

Postcode Innovation Trust holds a floating charge over the company's assets in respect of the loan. The annual interest of the loan is 3% and repayment starts from January 2022.

Resources expended as part of the blended finance received from the Postcode Innovation Trust have been drawn down on a 50/50 basis to reflect expenditure from both the loan and grant income.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds		Balance at 1 January 2021	Movement in funds		Transfers	Balance at 31 December 2021
	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£	£
National Lottery Digital Funds	-	120,275	(124,874)	(4,599)	122,833	(162,834)	44,602	2
Postcode Innovation Trust	-	62,500	(52,997)	9,503	62,500	(63,194)	-	8,809
Social Tech Trust	-	8,267	-	8,267	-	-	(8,267)	-
Tech Discounts	-	27,121	(27,121)	-	8,397	-	-	8,397
Other	1,588	-	-	1,588	-	(5,000)	(1,588)	-
National Lottery Support Fund	-	-	-	-	5,000	-	-	-
	1,588	218,163	(204,992)	14,759	198,730	(231,028)	34,747	17,208

National Lottery Digital Fund - Grant towards Carefree's tech platform and the salaries of our CTO and Director of Sustainability and Impact. We also received a COVID Emergency uplift grant of £50,000 in 2020 towards the cost of a hospitality partnerships manager role to secure donated accommodation for unpaid carer breaks.

Postcode Innovation Trust - Blended finance for business development activities, marketing costs and tech development work on Carefree's platform.

Social Tech Trust - Early grant towards the development costs of Carefree's tech platform for its Beta pilot.

Tech Discounts - Range of non-profit discounts on goods and services received by the charity from tech suppliers.

National Lottery Support Fund - Grant towards the development of videos to explain Carefree's work.

The £34,747 transfers between Restricted & Unrestricted reflect agreements with the relevant grant funder & full use of the Social Tech Trust grant in the previous year.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	3,419	-	3,419	5,232	-	5,232
Investments	28,500	-	28,500	25,375	-	25,375
Current assets/(liabilities)	99,705	-	99,705	112,917	-	112,917
Long term liabilities	(132,259)	17,208	(115,051)	-	(62,500)	(62,500)
	<u>(635)</u>	<u>17,208</u>	<u>16,573</u>	<u>143,524</u>	<u>(62,500)</u>	<u>81,024</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).