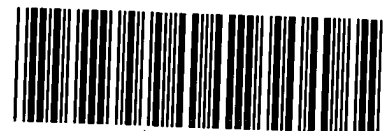


Charity Registration No. 1176459

Company Registration No. 10933982 (England and Wales)

CAREFREESPACE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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CAREFREESPACE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E. Blewett S.M.L. Philbrick J. Ricketts D. Myers J Smith K. Ngo I. Mackay C. Ricketts J. Khan	(Appointed 5 April 2023) (Appointed 6 July 2023) (Appointed 6 July 2023) (Appointed 6 July 2023) (Resigned 5 April 2023)
Charity number	1176459	
Company number	10933982	
Registered office	The Finsbury Business Centre 40 Bowling Green Lane London England EC1R 0NE	
Independent examiner	Andrew Subramaniam c/o HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom	

CAREFREESPACE

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CAREFREESPACE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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 on 25 August 2017 (as amended on 14 December 2017) as defined by 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 supports unpaid carers in need of vital respite for their mental health and wellbeing.

We do this by connecting them to accommodation across the UK donated at scale by the hospitality sector out of its excess capacity.

There are 1 million unsold hotel rooms every week. In 2022 we distributed an estimated £386,000 worth of donated hotel stays to 1,545 full time unpaid carers nationwide and are on track to mobilise a further £1m of gifted inventory in 2023.

Our aim is to enable a system for every full-time unpaid carer to get access to an annual break. The recent census found that there are 5.7 million unpaid carers across England and Wales, with 1.5m providing over 50 hours of care a week.

"Against a backdrop of increasing demand for social care, reduced state provision. The role and contribution of carers to health and social care is critical. Maintaining the mental and physical health and wellbeing of carers is therefore essential." Public Health England, 2021.

80% of home care in the UK is provided by unpaid carers who are twice as likely as non-carers to experience poor physical and mental health. 85% of our users have not had time-off to look after themselves for more than a year, half for more than three years.

We believe that the first step towards a sustainable health and social care system is enabling carers to get the break that they need.

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.

Achievements and performance

2022 Summary

"A Carefree break improves mental health and makes it easier to care; it's like pressing a reset button." - Jacqueline, unpaid carer.

Carefree has matured this year into a multi-award-winning organisation that is truly changing the landscape for how unpaid carers can gain access to an annual break.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2022

We've delivered:

- An eightfold increase in breaks delivery from 200 in 2021 to 1,545 in 2022
- A 60% increase in Community Partnerships from 70 to 114 referral organisations to ensure hyper-local access to Carefree's offer.
- Growth from 2,400 to 8,091 verified carers using our platform to access an annual break
- Sign-up of an additional 24 hotels across the UK

2022 Awards and Recognition

- Best Technology Project, Travolution Awards
- Best Digital Innovation, Business Charity Awards
- Highly Commended, Small Charity Big Achiever, Third Sector Awards
- Shortlisted, People and Communities, SKIFT IDEA Awards

Despite these successes, and as experienced by many charities, 2022 was also another incredibly challenging year. Shortfalls in budgeted funding caused a reduction in planned resourcing, for example in marketing and communications activities and much needed staff hires. Further, the longer term consequences of the pandemic were still being felt: the ability of carers to commit to and take a break was often constrained by a natural caution as well as continuing difficulty in making arrangements for the person they care for. This can be revealed in what we refer to as the 'conversion' rate, namely the proportion of carers who register on our platform relative to the number who actually take a break.

Carefree's income in 2022 totalled £485,667 (2021: £337,449) and expenditure £500,658 (2021: £405,025). A deficit of £858 (2021: surplus of £16,573) was carried forward to 2023.

Trustees accept the small deficit position at year-end and will seek to address it in the current financial year. Trustees monitor the cash position and financial forecasts very closely and confirm their continuing support for the charity. As of the date of these accounts, the trustees have a reasonable expectation that the charity will have adequate resources to continue to grow its operations over the coming year. The trustees thus continue to adopt the going concern basis of accounting in preparing the financial statements.

The charity's ambition and determination to achieve its purposes and to transform the well-being of the UK's unpaid carers is undiminished. We have embarked on 2023 with confidence - and evidence - that our services meet the needs not only of carers but also of our other major stakeholders, namely our Community and our Hospitality Partners.

Unpaid carers

"The simplicity and the speed carers can access the breaks is incredible. For carers to have something to look forward for themselves is invaluable and it's amazing what a lift it gives them, as they forget how important they are." - Christine, Northamptonshire Carers.

Strategic Goal

To afford every full-time unpaid carer the opportunity of a short break from their caring responsibilities.

2022 Objectives

Following the launch of our V2 Platform in Nov 2021, our objective was to distribute as many breaks as we could to unpaid carers dealing with the impacts of the pandemic.

We focused on proactive outreach, enhanced customer support and the scaling up of our self-referral and Community Partner referral pathways to get more full-time, unpaid carers connected to our service.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Achievements & Impact

In 2022, 5,835 unpaid carers registered with Carefree, taking our total at the end of the year to 8,091 verified carers. Almost 3,000 of those new carers signed-up via our self-referral route, the other 2,800+ were referred by our amazing Community Partners. 45 new partner organisations signed up in the year, taking the total number of organisations that can refer to Carefree to an impressive 114.

Most importantly, 1,545 carers benefited from a break. 88% said they could not have taken a break without our service, 96% reported an improvement in their wellbeing and after a Carefree break, 8 times more carers felt able to cope with their caregiving role.

Next Steps

In 2023, we are planning to facilitate 4,000 carers breaks and sign-up a further 6,000 carers to our service.

1 in 5 carers that self-refer to Carefree are not known to their Local Authority or local Carer Support Organisation. Thanks to some pilot funding from The Prudence Trust we will be able to focus our efforts identifying young adult carers in need of our support to improve their mental health and wellbeing. In addition, we will work to deepen our relationships with existing Community Partners and launch new online campaigns to increase our self-referral numbers.

Hospitality Partners

"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.

2022 Objectives

To build a sustainable accommodation pipeline through new acquisition, and leverage of current Hospitality Partners.

2022 Achievements & Impact

In 2022, we mobilised an estimated £386,000 of donated hotel stays to unpaid carers all across the UK thanks to the generosity of: 4C Hotel Group, Axiom Hospitality, Bespoke Hotels, Cottesmore Hotel, Cycas Hospitality, Holiday Inn Corby, Sleeperz Hotels, The Q Hotels Collection, Rockery Hall, and Village Hotels.

Next Steps

In 2023 we will focus on expanding our range of Hospitality Partners to increase the number of break opportunities we are able to provide carers with. We plan to create more functionality within our platform to embed our working relationships with our Hospitality Partners so they can, for example, access live impact reporting, more easily manage their gifted inventory and refer employees with caring responsibilities to our initiative.

Technology

Strategic Goal

To create an automated platform that facilitates carer verification and multi-channel access to donated accommodation for carers and real-time impact reporting for our stakeholders.

2022 Objectives

To optimise our V2 Platform to maximise 'conversion' of carers, to increase breaks offered and taken and use live-user feedback to embed service improvements.

2022 Achievements & Impact

It was - and is - a complex journey to operationalise the generous offers of accommodation received from across the hospitality industry. It involves building customised digital pathways for the release of inventory with multiple hotel groups and has meant a staged release of gifted inventory over the year. In turn this slowed the conversion rate of carers registered with us booking a break over this period. However with the technical build complete we have since seen a strong uptick in bookings, delivering over 1000 breaks within the first four months of 2023, compared to 1,545 in all of 2022.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Next Steps

In 2023 we aim to continue optimisation of our breaks hub to maximise 'conversion' of carers making a greatly increased number of breaks bookings. We will also continue to invest in our tech platform to add functionality to Hotel & Community Partner online member spaces to embed partnership working across organisations' systems.

Communications and Marketing

Strategic Goal

To create a dynamic charity brand that evokes support from across society for unpaid carers to get access to an annual break.

2022 Objectives

To use digital marketing to identify and connect hidden carers to a break.

2022 Achievements & Impact

In 2022, almost 40% of the carers that signed up with Carefree (over 1,500 people) cited social media as how they heard about us.

And a quarter of those stated that they were not known to their local Carer Support Organisation or Local Authority.

As Carefree continues to grow its reach and engagement across the UK we project to identify thousands more 'hidden' or 'disenfranchised' unpaid carers.

Next Steps

To expand our comms capacity through a dedicated staff hire and secure more mainstream press coverage for our organisation's work.

Fundraising

Strategic Goal

- To achieve a majority self-sustaining operation by 2027.

2022 Objectives

To establish our primary earned income stream through breaks delivery and secure new grant and donor commitments to enable the charity's ongoing activities and scale-up.

2022 Achievements & Impact

Importantly for proving Carefree's long-term model, carers successfully booked breaks and paid the £25 administration fee, resulting in £41,724.68 earned income in 2022.

Overall, 2022 continued to present a very difficult fundraising context. However, we were delighted to secure new, unrestricted support of £161,900 from: D'Oily Carte Charitable Trust, Dulverton Trust, Englefield Charity, Flitton Trust, The Fore, Garfield Weston, John Swire 1989 Charitable Trust, Pears Foundation and Rayne Trust.

Additionally, key restricted income received in the period included:

- (i) National Lottery Community Fund Grants - £189,559, covering core staff salaries and IT software.
- (ii) The Prudence Trust - £15k for a pilot project to get more young carers signed up to Carefree's service.

We also ran a successful public fundraising campaign through The Big Give Christmas Challenge that raised £23,286 for the charity.

Next Steps

Having taken on increased social investment from The Postcode Innovation Trust, to help accelerate the roll-out of our services, our top priority is still to increase our funding runway. This will give us the assurance to invest in the additional resources (principally people and awareness-raising) needed to scale the charity's reach and impact.

We aim to achieve increased funding through a combination of new public donations and the diversification of our trading income sources. To this end, in 2023, we plan to launch a new Community Partner offer and will be seeking new corporate partnerships to aid our public fundraising efforts.

Carefree has budgeted for the repayment installments that will be due on its Postcode Innovation Trust social investment.

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 during a period of intense economic & social pressures.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Objectives

To provide effective oversight and maintain the highest standards in all of the charity's activities and mitigate financial, staffing, operational and reputational challenges facing the organisation. It is worth underlining the need to manage risks sensitively given the multitude of challenges faced by our beneficiaries.

2022 Achievements & Impact

The Board is proud to see the organisation gain the awards recognition it deserves for its digital innovation and achievements as a small charity delivering big impact for thousands of carers. Securing these achievements also depends on an active and agile approach to risk management.

In addition to meeting quarterly and conducting annual reviews of all of the organisation's policies and procedures, the Board kept a close eye on key risks and used a regularly updated Risks Scorecard to understand how these changed over time. For example: balancing the supply and location of breaks inventory with the demand from carers; achieving sufficient staffing to maintain excellent customer service; sourcing the expertise to create, implement and sustain an innovation-rich tech platform with its associated services; managing the styling and tone of our platform content to make it easy and safe for carers to navigate. All these risks, in addition to the crucial funding risk, have been well managed across the year and learnings shared. As needed, the Board has actively supported the CEO in cost-cutting efforts to extend the organisation's funding runway as we awaited new funding outcomes. It has also provided additional mentorship to an overstretched staff team who delivered an eightfold increase in delivery without the flexibility to expand the organisation's headcount.

Next Steps

In 2023 anticipating and managing risk will remain a high priority for the Board and senior management. We are keen to significantly raise the charity's visibility and this will create higher reputational risks. With much larger numbers of carers booking breaks through our platform we will also be vigilant in managing their needs and expectations. Reporting back to all our stakeholders in a timely and value-added way will help manage risks associated with supply and demand. Whenever possible, we are committing additional time and expertise to securing new funds - reducing this risk will have a transformative impact on the charity's capacity and on our people's well-being.

The Board will continue to review and update Policies & Procedures and the employee handbook.

The year ahead will also include trustee recruitment - to refresh and add to the Board's capabilities and to cover for some long-standing trustees reaching the end of their terms.

Financial review

The year was characterized by ensuring that, regardless, the charity continued to live within its means. Overall, income was £485,667 (2021 £337,449) and expenditure £500,658 (2021 £405,025). The deficit to be carried forward at year-end was £858 which included surplus from restricted income of £24,974 applicable only to specific activities and deficit from unrestricted funds of £25,832. Income was lower than budget; in response, expenditure was deferred or cut. Inevitably this translated to less breaks being offered and taken and less spend being possible for fundraising, marketing and profile raising. As ever, our dedicated and expert staff worked at maximum stretch which is not tenable indefinitely; overall remuneration was increased within the limits judged affordable.

The charity's annual budgeting process is supplemented by a monthly update of performance and a review of the financial outlook for the next 12 months. Decisions were regularly made to manage the resources available including to defer staff recruitment and/or to obtain support on a short-term basis. The charity's principal cost is its people (62% of total expenditure) without whom Carefree would simply not have delivered so well. Accessing new funding, especially unrestricted, is especially difficult yet critical to match the necessary flexibility a young tech charity needs. Wherever cost-effective, the charity has outsourced supply to help maintain its options.

Our CEO continues to be a respected contributor to grantmaker, impact investor and other funding groups.

Reserves policy

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. Across 2022 the average monthly cost was £41,000. At year-end, the charity had a deficit of £858. Trustees acknowledge this outturn and will seek to resolve it in the current financial year.

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

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

Governing document

The charity is controlled by its governing document; its Articles of Association adopted on 25 August 2017 (as amended on 14 December 2017) as defined by the Companies Act 2006.

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. All policies are reviewed on an annual basis. The Board meets formally 4 x each year with additional support provided informally and reflecting the expertise and experience of our trustees.

The recruitment of trustees is undertaken on an open and competitive basis with due consideration of the needs of charity and its beneficiaries. With the growth of the charity, the Board are keen to reflect this in a slightly larger number of trustees who can, collectively, offer the time and passion and also provide a well-aligned range of experience, expertise and networks. Full induction is provided to help new trustees contribute confidently. During the year, the Board developed and adopted a Code of Governance suited to smaller charities.

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, and within an annual budget approved by the Trustees. Senior management reports regularly to the trustees on the activities undertaken in managing the charity with reports including updates on financial forecasts, the status of key risks and any safeguarding issues.

The Board has been especially focused on the sufficiency of the charity's resources. In approving this Report and accompanying financial statements and taking account of committed and prospective resources, the Board is satisfied that the charity is a going concern.

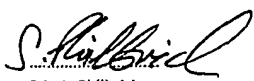
The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E. Blewett	
J. Khan	(Resigned 5 April 2023)
S.M.L. Philbrick	
J. Ricketts	
D. Myers	
J. Smith	(Appointed 5 April 2023)
K. Ngo	(Appointed 6 July 2023)
I. Mackay	(Appointed 6 July 2023)
C. Ricketts	(Appointed 6 July 2023)

Executive team, Volunteers and Consultants

In 2022, Carefree had a small senior team supported by a few staff. Cognisant of the need to manage fixed costs, we elected to support the executive team with paid-for technology and fundraising consultancy. We also receive significant support from the tech community with circa 40 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: 23 Apr '23

CAREFREESPACE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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 The Institute of Chartered Accountants in England and Wales, 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
c/o HW Fisher LLP
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 24 Aug 2023

CAREFREESPACE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021 Restated	Restricted funds 2021 Restated	Total 2021 Restated
	Notes	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	205,272	204,559	409,831	132,219	190,333	322,552
Charitable activities	4	41,725	-	41,725	4,625	-	4,625
Investments	5	1,250	-	1,250	1,875	-	1,875
Other income	6	430	32,431	32,861	-	8,397	8,397
Total income		248,677	236,990	485,667	138,719	198,730	337,449
Expenditure on:							
Raising funds	7	37,046	-	37,046	20,666	-	20,666
Charitable activities	8	215,491	248,121	463,612	144,339	240,020	384,359
Total resources expended		252,537	248,121	500,658	165,005	240,020	405,025
Net gains/(losses) on investments	12	(2,462)	-	(2,462)	3,125	-	3,125
Gross transfers between funds		-	-	-	(34,747)	34,747	-
Net outgoing resources		(6,322)	(11,131)	(17,453)	(57,908)	(6,543)	(64,451)
Other recognised gains and losses							
Other gains or losses	13	29	(7)	22	-	-	-
Net movement in funds		(6,293)	(11,138)	(17,431)	(57,908)	(6,543)	(64,451)
Fund balances at 1 January 2022		(19,539)	36,112	16,573	38,369	42,655	81,024
Fund balances at 31 December 2022		(25,832)	24,974	(858)	(19,539)	36,112	16,573

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 2022

	Notes	2022 £	£	2021 £	£ Restated
Fixed assets					
Tangible assets	14		3,281		3,419
Investments	15		-		28,500
			<u>3,281</u>		<u>31,919</u>
Current assets					
Debtors	16	20,372		8,716	
Cash at bank and in hand		100,258		108,332	
		<u>120,630</u>		<u>117,048</u>	
Creditors: amounts falling due within one year	18	(32,090)		(17,343)	
Net current assets			<u>88,540</u>		<u>99,705</u>
Total assets less current liabilities			<u>91,821</u>		<u>131,624</u>
Creditors: amounts falling due after more than one year	19		(92,679)		(115,051)
Net (liabilities)/assets			<u>(858)</u>		<u>16,573</u>
Income funds					
Restricted funds	20	24,974		36,112	
Unrestricted funds		(25,832)		(19,539)	
			<u>(858)</u>		<u>16,573</u>

CAREFREESPACE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

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 2022.

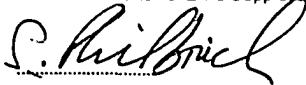
The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its 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 members have 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

23 Aug 2023



S.M.L. Philbrick
Trustee

Company Registration No. 10933982

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 on 25 August 2017 (as amended on 14 December 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 Prior period adjustment

The comparatives to the 2022 accounts have been restated. The adjustment to the opening balances in 2021 and 2022 relate to the re-allocation of expenditure from restricted to unrestricted funds.

1.3 Going concern

Trustees accept the small deficit position at year-end and will seek to address it in the current financial year. Trustees monitor the cash position and financial forecasts very closely and confirm their continuing support for the charity. As of the date of these accounts, the trustees have a reasonable expectation that the charity will have adequate resources to continue to grow its operations over the coming year. The trustees thus continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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.

1.5 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.

1.6 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.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

These comprise the costs associated with attracting voluntary income, sourcing earned income 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 governance costs.

1.7 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.

1.8 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.

1.9 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).

1.10 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.

1.11 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.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

1.12 Taxation

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

1.13 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	43,372	-	43,372	11,719	-	11,719
Grants	161,900	204,559	366,459	120,500	190,333	310,833
	<u>205,272</u>	<u>204,559</u>	<u>409,831</u>	<u>132,219</u>	<u>190,333</u>	<u>322,552</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Administrative fee income	41,725	4,625

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from listed Investments	1,250	1,875

6 Other income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Tech discounts received	-	32,431	32,431	-	8,397	8,397
Other income	430	-	430	-	-	-
	430	32,431	32,861	-	8,397	8,397

7 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £ Restated
Fundraising		
Other fundraising costs	16,421	130
Staff costs	20,625	20,536
	37,046	20,666

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	2022 £	2021 £ Restated
Staff costs	286,618	247,662
Advertising and marketing	11,174	20,768
Consulting	3,795	35,087
Tech development	11,712	11,332
IT Software and consumables	73,709	34,334
Telephone and internet	1,332	999
Rent	32,513	3,504
Subscriptions, training and research	4,909	2,219
Subsistence, travel and meetings	5,771	3,817
	<u>431,533</u>	<u>359,722</u>
Share of support costs (see note 9)	14,663	11,083
Share of governance costs (see note 9)	17,416	13,554
	<u>463,612</u>	<u>384,359</u>
Analysis by fund		
Unrestricted funds	215,491	144,339
Restricted funds	248,121	240,020
	<u>463,612</u>	<u>384,359</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9	Support costs	Support costs	Governance costs	2022	Support costs	Governance costs	2021
		£	£	£	£	£	£
	Depreciation	3,821	-	3,821	2,900	-	2,900
	Bank charges	1,868	-	1,868	582	-	582
	Postage, printing and office supplies	1,365	-	1,365	151	-	151
	Insurance	3,200	-	3,200	2,812	-	2,812
	Bank revaluation	-	-	-	263	-	263
	Interest on loan	3,778	-	3,778	1,889	-	1,889
	Recruitment expense	631	-	631	2,486	-	2,486
	Accountancy/ bookkeeping	-	16,852	16,852	-	13,262	13,262
	Legal and professional	-	564	564	-	292	292
		<u>14,663</u>	<u>17,416</u>	<u>32,079</u>	<u>11,083</u>	<u>13,554</u>	<u>24,637</u>
	Analysed between						
	Charitable activities	<u>14,663</u>	<u>17,416</u>	<u>32,079</u>	<u>11,083</u>	<u>13,554</u>	<u>24,637</u>

Governance costs totalling £16,852 (2021 : £13,262) include payments to the Independent examiner for independent examination.

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>6</u>	<u>6</u>
Employment costs	2022 £	2021 £
Wages and salaries	270,039	241,164
Social security costs	31,222	22,144
Other pension costs	5,982	4,890
	<u>307,243</u>	<u>268,198</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Net gains/(losses) on Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of Investments	(2,462)	3,125

13 Other gains or losses

	Unrestricted funds	Restricted funds	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Foreign exchange gains	29	(7)	22	-

14 Tangible fixed assets

	Computers £
Cost	
At 1 January 2022	11,602
Additions	3,683
At 31 December 2022	15,285
Depreciation and impairment	
At 1 January 2022	8,183
Depreciation charged in the year	3,821
At 31 December 2022	12,004
Carrying amount	
At 31 December 2022	3,281
At 31 December 2021	3,419

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset Investments

	Listed Investments £
Cost or valuation	
At 1 January 2022	28,500
Loss on sale of investment	(2,462)
Disposals	(26,038)
	<u> </u>
At 31 December 2022	-
	<u> </u>
Carrying amount	
At 31 December 2022	-
	<u> </u>
At 31 December 2021	28,500
	<u> </u>

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	461	2,784
Prepayments and accrued income	19,911	5,932
	<u>20,372</u>	<u>8,716</u>

17 Loans and overdrafts

	2022 £	2021 £
Other loans	115,051	125,000
	<u> </u>	<u> </u>
Payable within one year	22,372	9,949
Payable after one year	92,679	115,051
	<u> </u>	<u> </u>

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%.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18	Creditors: amounts falling due within one year	2022	2021
		£	£
	Loan from Postcode Innovation Trust	22,372	9,949
	Other creditors	1,295	1,200
	Accruals	8,423	6,194
		<u>32,090</u>	<u>17,343</u>
19	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Loan from Postcode Innovation Trust	<u>92,679</u>	<u>115,051</u>

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%.

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.

As a social investment (comprising a £125,000 grant and a £125,000 term loan at a fixed rate of 3% over 7 years), it is categorized as a long term creditor in Carefree's year-end accounts. This contributes to a negative equity position for the charity.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 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 2021	Movement In funds		Transfers	Balance at 1 January 2022	Movement In funds		Balance at 31 December 2022
	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended	£
	Restated		Restated		Restated			
National Lottery Digital Funds	(4,599)	122,833	(162,834)	44,602	2	189,559	(179,587)	9,974
Postcode Innovation Trust	37,399	62,500	(63,789)	-	36,110	-	(36,110)	-
Social Tech Trust	8,267	-	-	(8,267)	-	-	-	-
Tech Discounts	-	8,397	(8,397)	-	-	32,431	(32,431)	-
Other	1,588	-	-	(1,588)	-	-	-	-
National Lottery Support Fund	-	5,000	(5,000)	-	-	-	-	-
The Prudence Trust	-	-	-	-	-	15,000	-	15,000
	<u>42,655</u>	<u>198,730</u>	<u>(240,020)</u>	<u>34,747</u>	<u>36,112</u>	<u>236,990</u>	<u>(248,128)</u>	<u>24,974</u>

National Lottery Digital Fund - Grant towards Carefree's tech platform and the salaries of our CTO and Director of Sustainability and Impact.

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 Prudence Trust - Grant to pilot a project with young carers to support their mental health.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Analysis of net assets between funds						
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:				Restated	Restated	Restated
Tangible assets	3,281	-	3,281	3,419	-	3,419
Investments	-	-	-	28,500	-	28,500
Current assets/(liabilities)	63,566	24,974	88,540	63,593	36,112	99,705
Long term liabilities	(92,679)	-	(92,679)	(115,051)	-	(115,051)
	<u>(25,832)</u>	<u>24,974</u>	<u>(858)</u>	<u>(19,539)</u>	<u>36,112</u>	<u>16,573</u>

22 Events after the reporting date

Post year end, Carefree agreed a new £150,000 term loan agreement with Postcode Innovation Trust. It has an interest of 0% repayable over 6 years.

23 Related party transactions

There were no disclosable related party transactions during the current or prior year.