

Charity Registration No. 1176459

Company Registration No. 10933982 (England and Wales)

CAREFREESPACE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CAREFREESPACE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	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)
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 2023

The trustees present their report and financial statements for the year ended 31 December 2023.

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.

4.1 million people in the UK provide full-time, unpaid care to loved ones requiring help due to disability, frailty, illness, mental health problems or addiction (ONS 2021). Caring full-time is a complex and relentless job. People's mental health declines when they take on unpaid caring roles, with increased psychological distress across all age groups (University of London and UCL, 2023). Carers are twice as likely as non-carers to experience poor physical and mental health (Carers UK). The Carers Week Report 2023 found that 62% of unpaid carers said they needed support with health and wellbeing, and 30% stated their mental health was bad or very bad.

At the same time, there are 1 million unsold hotel rooms every week. Since its incorporation, Carefree has distributed £1.65m of donated hotel stays to 6000 carers nationwide. Our aim is to enable a system for every full-time unpaid carer to get a break when they need it.

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.

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

Our core focus is to identify unpaid carers in need of personal time away from their caring responsibilities through our self-referral pathway, 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

2023 Summary

"This is the best gift to give to a carer and was so needed. It's changed my life."

- Gabrielle, who took a break at The Chesford Grange Hotel.

Carefree's growth continued to accelerate through 2023, demonstrating the economies of scale that can be achieved through our tech-led approach to reaching carers and connecting them to donated break opportunities.

Key achievements included:

- More than doubling our rate of carer breaks delivery from 1,497 in 2022 to 3,661 in 2023, which equates to over £1m of gifted inventory mobilised.
- Growing our carer reach from 8,091 to 18,379 verified carers through our self-referral pathway and network of Community Partner organisations (CPs).

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

FOR THE YEAR ENDED 31 DECEMBER 2023

- Expanding our hotel supply from 90 to 130 hotel properties which are donating inventory on a rolling basis.
- Reducing our unit beneficiary cost from £334 to £183 in 2023.

Our team also demonstrated their ability to effectively navigate risk and protect service delivery. In mid-January, Carefree's travel-tech partner announced that they were pulling their main product for connecting us to hotel inventory that the Breaks Hub had been built on top of. Although this sudden shift posed a significant challenge for Carefree, the choice to switch to a predominantly no-code setup has brought a whole new level of independence and control over the operation. We are now able to customise our platform to individual hotel partner requirements, build more operational efficiencies by marrying together our Breaks Hub with our customer service infrastructure and have seen our working relationships with hotels deepen, as they are much bigger fans of interacting with us directly rather than via a third-party software provider.

Carefree's mixed-income model is based on our ability to secure philanthropic support and social investment whilst we build up our earned income streams towards becoming a majority self-sustaining charity. We were grateful to receive further social investment from the Postcode Innovation Trust (PIT) in 2023 to begin diversifying our earned income streams and successfully introduce an annual tiered membership offer for our CPs in Q4. This bolstered our in-year earned income by £38,750 to £125,793, which included income generated through the £25 break admin fee.

19% of our operating costs were covered by our earned income. As of the date of these accounts, we have increased this ratio to 31% in 2024 and aim to reach 38% by the end of the year. Trustees acknowledge our deficit position at year-end based on the social investment carried by the organisation and are confident in our ability to continue to meet our repayment schedule for this loan financing.

Carefree's income for 2023 was £431,349, while expenditure stood at £673,584. Trustees monitor the cash position and financial forecasts very closely and confirm their continuing support for the charity. The trustees have a reasonable expectation that the charity will have adequate resources to continue to grow its operations over the next 12 months. The trustees thus continue to adopt the going concern basis of accounting in preparing the financial statements.

How did carers receive support?

Community and self-referrals

Over 50% of our current 18,379 users signed up in 2023 alone. This is comprised of 5484 self-referrals and 4973 referrals from our Community Partners.

The third version of our self-referral pathway went online in June and strongly illustrates our user demographic, with over 90% of sign-ups identifying as female and 74% as parent carers.

Word of mouth proved to be one of our strongest routes for how carers hear about us (30%), alongside sign-posting by community partners (27%) and social media (34%).

This prompted us to experiment with a small paid social media campaign, alongside in-person and online workshops, to reach more young adult carers, which was funded by The Prudence Trust.

"I think opportunities like these are amazing for young carers like myself. It may seem like something little, but it made a huge difference to my mental health and improved my mood drastically. I didn't think one trip away from home would have me feeling ecstatic, but that's exactly how I felt." Khadeza, who stayed at DoubleTree by Hilton London ExCeL.

This project increased the number of young adult carers we're servicing to 455, with 83 booking a break in 2023.

Our 2024 focus will be to develop new signposting functionality for hidden carers that self-refer to other support services and to sign up an additional 14,400 carers via our existing pathways.

Customer service

Investments in our customer service infrastructure have enabled us to manage this increase in service users efficiently. For example, our Intercom system enabled us to send 198,567 proactive communications to carers and resolve 21,885 incoming support requests through a combination of self-serve and human support provided by our small customer service team. Moreover, 92.4% of users who received assistance from our Customer Support Team gave a 5-star rating.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2023

Breaks Delivery

64% of all breaks delivered by the organisation in the past 6 years since incorporation have occurred in 2023.

We grew from 90 to 130 hotel partners in-year and with a broader spread of geographic locations, it is becoming easier and more accessible for a carer to find a break that suits them. New hotel partners that signed up in 2023 include Greene King, Nobu Shoreditch, Imperial Hotels London & St Giles.

Our existing hotel partners also chose to expand their commitments, fuelling our ability to deliver 3,661 breaks across the year, not counting the 759 cancellations by carers who have been assigned a break credit to enable them to rebook. We are incredibly grateful to: 4C Hotel Group, Axiom Hospitality, Bespoke Hotels, Cycas Hospitality, Rookery Hall Hotel & Spa, Sleeperz Hotels, Village Hotels and The Q Hotel Collection for their immense generosity in this regard.

The collective value of the gifted inventory donations came to £1,006,775. In 2024, we hope to double this figure and see 7000 carers book a break through Carefree.

Carer feedback

"When I arrived and looked round and saw how beautiful the place was, I cried. I cried because I felt understood and valued. Someone who donated that beautiful break must have understood somewhere in their life that caring is a tough job. For those few hours, I left it all behind. I felt human and valued. So thank you from the bottom of my heart to whoever said, 'Yes, let's release these rooms'."

- Mary, an unpaid carer who stayed at Crewe Hall.

Each break makes a significant and positive impact on the lives of carers, with reported improvements in wellbeing, ability to cope with day-to-day responsibilities, personal relationships, including the cared for person, and a reduction in overall social isolation. Out of 1923 survey respondents, carers reported that:

- 88% couldn't have taken a break without Carefree
- 86% were able to cope following their break (as compared to 10% before their break)
- 95% reported improved wellbeing
- 76% said they felt less socially isolated
- 9/10 average score for ease of use of our Breaks Hub

Community Partner Monetisation

One of our biggest and toughest projects in 2023 was to convert our overall network of community referral partners to paying members, through an introduction of a tiered annual membership fee tied to the annual turnover of their organisation.

We worked with 12 organisations to design and develop a membership offer that would work for them. After testing various pricing approaches, we landed on charging Community Partners a flat 0.1% of the turnover of their carer services. I.e. an organisation with a turnover of £500k would pay £500 a year to refer as many carers as they like with no cap on the number of breaks that could be booked to ensure that they see a significant return on investment. Each break donated by a hotel partner has a commercial rate card value of £275, so even if only 10 carers referred book a break, that is still unlocking £2750 of additional financial value for their organisation.

To support the roll-out of the membership fee, we launched an entirely new Community Partner App with live impact reporting, which has been very positively received, and we'll continue to build out in 2024.

Overall we managed to convert 42 CP memberships in 2023 worth £38,750. Ideally, we would like to grow to 60 organisations in 2024 and increase this revenue stream by 50%.

Fundraising

Overall Carefree's goal remains to become a majority self-sustaining charity by 2027.

In 2023 we continued to pursue this goal by increasing our earned revenue and securing new grant and social investment commitments to scale up the charity's ongoing activities.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2023

We successfully tripled our earned income from £41,724.68 to £125,793 in-year and were delighted to secure new, unrestricted support from: The Astor Foundation, THE CPF Trust, The Fitton Trust, The Pears Foundation Charitable Trust, Esmee Fairbairn Foundation, John Swire 1989 Charitable Trust and Modiano foundation totalling £100,000.

Additional key restricted income for this period included:

- National Lottery Community Fund Grants - £64,091, covering core staff salaries and IT software.
- City Bridge Foundation - £77,625 received in-year out of a £500k grant to convert £1.5m of donated hotel stays into breaks for 5,200 London-based unpaid carers over three years.
- Eveson Trust - £5000 towards supporting carers in the areas of Herefordshire, Worcestershire, Sutton Coldfield, Wolverhampton, Walsall, Sandwell, Dudley, Solihull, Birmingham and Coventry to get a break.

Nonetheless, we have continued to experience an incredibly challenging fundraising context for an organisation that is increasing in size as quickly as ours is and pursued a second round of social investment for the organisation to enable us to launch CP monetisation to diversify our revenue streams and provide increased working capital to help us manage cash flow.

We were lucky to secure extremely favourable arrangements with PIT and our former Chair of Trustees, Sarah Philbrick, who made an evergreen loan to the organisation for £36,500 at a 0% interest rate. Likewise, with PIT, the £150k loan was made on a 0% interest basis with a 12-month repayment holiday and a 6-year repayment term.

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

Our top priority is still to increase our funding runway. This will assure us to invest in the additional resources (principally people and awareness-raising) needed to scale the charity's reach and impact.

We aim to achieve this through the continued growth of our trading income, new corporate partnerships and additional social investment in 2024.

With regards to corporate partnerships, we are very grateful to Presence for their pro-bono time and Gramercy Park Studios for donating the post-production of a commercial ad campaign that we filmed in 2023 for release in 2024. This campaign will no doubt boost Carefree's ability to attract new individual and corporate supporters.

Shared learnings

Public Talks

With expertise spanning digital innovation, service design, data and impact evaluation, our team regularly participated in various third-sector conferences and programmes to share best practices with our peers. Key talks included, 'How we built our V3 platform' for the Scottish Council of Voluntary Organisations and an 'At the Forefront' talk for the Fore Trust.

Shared Digital Guides

We've contributed service recipes, case studies and other 'how to' guides to CAST's Shared Digital Guides, which is a website designed to support digital take-up within the charity sector.

In addition, through our many partnerships with no-code companies that offer us discounts for the use of their products, we've also been creating guides on how we use their applications within our service delivery to share with other charities experimenting with these approaches.

Risk Management

The Board's goal is 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.

Trustees receive monthly updates from the CEO and provide effective oversight of the charity's activities to mitigate financial, staffing, operation and reputation risks facing the organisation through its quarterly board meetings. It is worth underlining the need to manage risks sensitively given the multitude of challenges faced by our beneficiaries.

After sweeping many third and travel sector awards in 2022, the board is pleased to again see Carefree shortlisted for the Third Sector Digital Charity of the Year award, which is given in 2024 for 2023 activities.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

In 2024 we plan to do an overhaul of our staff handbook to better reflect the culture and working practices that have evolved within Carefree over the past few years and to formally place taking care of the wellbeing of our staff at the centre of our employment practice.

Financial review

The year was characterized by ensuring that, regardless, the charity continued to live within its means. Overall, income was £431,349 (2022: £485,667) and expenditure £673,584 (2022: £500,658). The deficit to be carried forward at year-end was £243,165 (2022: £858) which included surplus from restricted income of £30,859 (2022: £24,974) applicable only to specific activities and deficit from unrestricted funds of £274,024 (2022: £25,832). Income was lower than budget; in response, expenditure was deferred or cut. Inevitably this translated to fewer 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 (52% 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 grantmakers, impact investors and other funding groups.

Reserves policy

The reserve 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 upon by the trustees. Across 2023 the average monthly cost was £55,702. At yearend, the charity had £63,994 in current assets and a deficit of £12,477 for amounts falling due within one year, largely owing to repayments on our existing social investment. Trustees recognise the importance of balancing reserves generation against the repayment requirements of the social investment that we have received over the last three years, which is being proactively addressed through a combination of secured grants and growing earned income.

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

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.

CAREFREESPACE

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

FOR THE YEAR ENDED 31 DECEMBER 2023

The recruitment of trustees is undertaken on an open and competitive basis with due consideration of the needs of the charity and its beneficiaries. In line with our Articles of Association, after 6 years of chairing the charity, Sarah Philbrick passed the torch to our Co-Founder Charlie Ricketts. Elizabeth Blewett who had also been with us since the beginning stepped down and three new trustees were appointed, with a well-aligned range of experience, expertise and networks. The board has renewed its commitment to the Code of Governance for smaller charities.

Elizabeth Blewett who had also been with us since the beginning stepped down as well as our other co-founder James Ricketts, who had served on the board for three years. Three new trustees were appointed, with a well-aligned range of experience, expertise and networks. The board has renewed its commitment to the Code of Governance for 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	(Resigned 8 December 2023)
J. Khan	(Resigned 5 April 2023)
S.M.L. Philbrick	(Resigned 8 December 2023)
J. Ricketts	(Resigned 8 December 2023)
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 2023, 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 44 software companies providing their tools at free or discounted rates.

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



C. Ricketts

Trustee 24/09/2024
Dated:

CAREFREESPACE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023.

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

26 Sep 2024
Dated:

CAREFREESPACE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
Income and endowments from:							
Donations and legacies	3	101,642	146,716	248,358	205,272	204,559	409,831
Charitable activities	4	87,043	-	87,043	41,725	-	41,725
Other trading activities	5	38,750	-	38,750	-	-	-
Investments	6	173	-	173	1,250	-	1,250
Other income	7	-	57,025	57,025	430	32,431	32,861
Total income		227,608	203,741	431,349	248,677	236,990	485,667
Expenditure on:							
Raising funds	8	55,054	-	55,054	37,046	-	37,046
Charitable activities	9	406,125	212,405	618,530	215,491	248,121	463,612
Total resources expended		461,179	212,405	673,584	252,537	248,121	500,658
Net gains/(losses) on investments	13	-	-	-	(2,462)	-	(2,462)
Net outgoing resources before transfers		(233,571)	(8,664)	(242,235)	(6,322)	(11,131)	(17,453)
Gross transfers between funds		(14,550)	14,550	-	-	-	-
Net (outgoing)/incoming resources		(248,121)	5,886	(242,235)	(6,322)	(11,131)	(17,453)
Other recognised gains and losses							
Other gains or losses	14	(71)	(1)	(72)	29	(7)	22
Net movement in funds		(248,192)	5,885	(242,307)	(6,293)	(11,138)	(17,431)
Fund balances at 1 January 2023		(25,832)	24,974	(858)	(19,539)	36,112	16,573
Fund balances at 31 December 2023		(274,024)	30,859	(243,165)	(25,832)	24,974	(858)

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		4,252		3,281
Current assets					
Debtors	16	8,308		20,372	
Cash at bank and in hand		55,686		100,258	
		63,994		120,630	
Creditors: amounts falling due within one year	18	(76,471)		(32,090)	
Net current (liabilities)/assets			(12,477)		88,540
Total assets less current liabilities			(8,225)		91,821
Creditors: amounts falling due after more than one year	19		(234,940)		(92,679)
Net liabilities			(243,165)		(858)
Income funds					
Restricted funds	21		30,859		24,974
Unrestricted funds			(274,024)		(25,832)
			(243,165)		(858)

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 2023.

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

24/09/2024



C. Ricketts
Trustee

Company Registration No. 10933982

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 ONE.

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 Going concern

Trustees accept the deficit position at year-end, largely owing to repayments on our existing social investment that will fall due over the next seven years. Carefree has budgeted for these repayments, and with close monitoring of the organisation's cash position and financial forecasts, trustees 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.

1.3 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, 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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).

1.8 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.

1.9 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.

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.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.10 Taxation

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

1.11 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.

1.12 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
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	2,142	-	2,142	43,372	-	43,372
Grants	99,500	146,716	246,216	161,900	204,559	366,459
	<u>101,642</u>	<u>146,716</u>	<u>248,358</u>	<u>205,272</u>	<u>204,559</u>	<u>409,831</u>

4 Charitable activities

	2023 £	2022 £
Administrative fee income	<u>87,043</u>	<u>41,725</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Other trading activities

	Unrestricted funds	Total
	2023	2022
	£	£
Membership subscriptions and sponsorships which are in substance a payment for goods and services	38,750	-
	<u>38,750</u>	<u>-</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Income from listed investments	-	1,250
Interest receivable	173	-
	<u>173</u>	<u>1,250</u>

7 Other income

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2023	2022	2022	2022
	£	£	£	£
Tech discounts received	57,025	-	32,431	32,431
Other income	-	430	-	430
	<u>57,025</u>	<u>430</u>	<u>32,431</u>	<u>32,861</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	26,355	16,421
Staff costs	28,699	20,625
	<u>55,054</u>	<u>37,046</u>

9 Charitable activities

	2023	2022
	£	£
Staff costs	326,277	286,618
Advertising and marketing	47,005	11,174
Consulting	33,489	3,795
Tech development	14,250	11,712
IT Software and consumables	114,173	73,709
Telephone and internet	500	1,332
Rent	33,908	32,513
Subscriptions, training and research	4,254	4,909
Subsistence, travel and meetings	7,067	5,771
	<u>580,923</u>	<u>431,533</u>
Share of support costs (see note 10)	19,938	14,663
Share of governance costs (see note 10)	17,669	17,416
	<u>618,530</u>	<u>463,612</u>
Analysis by fund		
Unrestricted funds	406,125	215,491
Restricted funds	212,405	248,121
	<u>618,530</u>	<u>463,612</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Depreciation	5,418	-	5,418	3,821	-	3,821
Bank charges	4,131	-	4,131	1,868	-	1,868
Postage, printing and office supplies	820	-	820	1,365	-	1,365
Insurance	4,253	-	4,253	3,200	-	3,200
Bank revaluation	739	-	739	-	-	-
Interest on loan	3,398	-	3,398	3,778	-	3,778
Recruitment expense	1,179	-	1,179	631	-	631
Accountancy/ bookkeeping	-	17,619	17,619	-	16,852	16,852
Legal and professional	-	50	50	-	564	564
	<u>19,938</u>	<u>17,669</u>	<u>37,607</u>	<u>14,663</u>	<u>17,416</u>	<u>32,079</u>
Analysed between						
Charitable activities	<u>19,938</u>	<u>17,669</u>	<u>37,607</u>	<u>14,663</u>	<u>17,416</u>	<u>32,079</u>

Governance costs totaling £17,619 (2022: £16,852) include payments to the independent examiner for independent examination.

11 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.

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>6</u>	<u>6</u>
Employment costs	2023 £	2022 £
Wages and salaries	313,636	270,039
Social security costs	34,908	31,222
Other pension costs	6,432	5,982
	<u>354,976</u>	<u>307,243</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	-	(2,462)

14 Other gains or losses

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Foreign exchange gains/(losses)	(71)	(1)	(72)	(29)	7	(22)

15 Tangible fixed assets

	Computers
	£
Cost	
At 1 January 2023	15,285
Additions	6,389
At 31 December 2023	21,674
Depreciation and impairment	
At 1 January 2023	12,004
Depreciation charged in the year	5,418
At 31 December 2023	17,422
Carrying amount	
At 31 December 2023	4,252
At 31 December 2022	3,281

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	750	461
Prepayments and accrued income	7,558	19,911
	8,308	20,372

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Loans and overdrafts

	2023 £	2022 £
Evergreen Director Loan	36,500	-
Loan from Postcode Innovation Trust	246,488	115,051
	<u>282,988</u>	<u>115,051</u>
Payable within one year	48,048	22,372
Payable after one year	234,940	92,679
	<u>234,940</u>	<u>92,679</u>

Postcode Innovation Trust holds a floating charge over the company's assets in respect of its loans to the organisation. It's first instalment of blended finance was given on a 3% interest rate, whilst its £150k investment in 2023 was given on a 0% interest basis. As the repayments against this social investment will be continuing until 2029 it is categorised as a long-term creditor in Carefree's year-end accounts. This contributes to a negative equity position for the charity.

The evergreen director loan provided by former chair Sarah Philbrick was given on a 0% basis with the conditions that it be repaid within 7 years if: (i) Carefree is compliant with all its financial obligations over the past 12 months, (ii) has sufficient funds for the next 3 months and obtained funding commitments to meet the next 6 months of its current year budget, and (iii) Carefree expects to meet any repayment obligations falling due in the next 12 months.

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Loan from Postcode Innovation Trust		48,048	22,372
Other taxation and social security		9,964	-
Deferred income	20	6,600	-
Other creditors		6,153	1,295
Accruals		5,706	8,423
		<u>76,471</u>	<u>32,090</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Evergreen Director Loan	36,500	-
Loan from Postcode Innovation Trust	198,440	92,679
	<u>234,940</u>	<u>92,679</u>

Postcode Innovation Trust holds a floating charge over the company's assets in respect of its loans to the organisation. Its first instalment of blended finance was given on a 3% interest rate, whilst its £150k investment in 2023 was given on a 0% interest basis. As the repayments against this social investment will be continuing until 2029 it is categorised as a long-term creditor in Carefree's year-end accounts. This contributes to a negative equity position for the charity.

The evergreen director loan provided by former chair Sarah Philbrick was given on a 0% basis with the conditions that it be repaid within 7 years if: (i) Carefree is compliant with all its financial obligations over the past 12 months, (ii) has sufficient funds for the next 3 months and obtained funding commitments to meet the next 6 months of its current year budget, and (iii) Carefree expects to meet any repayment obligations falling due in the next 12 months.

20 Deferred income

	2023	2022
	£	£
Other deferred income	<u>6,600</u>	<u>-</u>

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 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:

	Movement in funds			Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£	£	£
	Restated							
National Lottery Digital Funds	2	189,559	(179,587)	9,974	64,091	(88,220)	14,155	-
Postcode Innovation Trust	36,110	-	(36,110)	-	-	-	-	-
Tech Discounts	-	32,431	(32,431)	-	57,025	(57,025)	-	-
The Prudence Trust	-	15,000	-	15,000	-	(15,395)	395	-
City Bridge Trust	-	-	-	-	77,625	(50,266)	-	27,359
Eveson Trust	-	-	-	-	5,000	(1,500)	-	3,500
	<u>36,112</u>	<u>236,990</u>	<u>(248,128)</u>	<u>24,974</u>	<u>203,741</u>	<u>(212,406)</u>	<u>14,550</u>	<u>30,859</u>

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

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

City Bridge Foundation (formerly City Bridge Trust) - multi-year grant to mobilise donated hotel stays to London-based carers.

Eveson Trust - grant to expand our reach in the West Midlands.

CAREFREESPACE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Tangible assets	4,252	-	4,252	3,281	-	3,281
Current assets/(liabilities)	(12,477)	-	(12,477)	63,566	24,974	88,540
Long term liabilities	(265,799)	30,859	(234,940)	(92,679)	-	(92,679)
	<u>(274,024)</u>	<u>30,859</u>	<u>(243,165)</u>	<u>(25,832)</u>	<u>24,974</u>	<u>(858)</u>

23 Related party transactions

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