

MAKING SPACE

England & Wales · Charity number 512907

Details

Status	Registered
Legal form	Charitable company
Company number	01642033
Registered	1982-07-27
Register	View on the Charity Commission register

Contact

Address	Making Space 46 Allen Street Warrington WA2 7JB
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Website	www.makingspace.co.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE THE RELIEF OF PEOPLE WHO ARE IN NEED BY REASON OF ANY PHYSICAL OR MENTAL ILLNESS OR DISABILITY ARISING FROM AGE, ACCIDENT, DISEASE OR INFECTION, INCLUDING BUT WITHOUT LIMITATION LEARNING DISABILITIES AND DEMENTIA, AND THE RELIEF OF THEIR FAMILIES AND CARERS.

Activities: Making Space exists for the relief of people who are in need by reason of any physical or mental illness or disability arising from age, accident, disease or infection, including but without limitation learning disabilities and dementia, and the relief of their families and carers.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£34,211,927	£34,671,183	£16,034,960	984
2024-03-31	£33,700,382	£33,762,908	£16,494,215	1010
2023-03-31	£30,975,371	£32,341,977	£16,556,741	1024
2022-03-31	£31,581,300	£32,237,959	£18,139,426	1079
2021-03-31	£27,571,420	£26,602,067	£18,633,085	989

Trustees

Name	Role	Appointed
Professor Michael Thomas	Chair	2022-12-08
Andrew Reston		2025-03-20
Elaine Johnstone		2017-06-22
Jamie Shaw		2025-06-19
Jessica Carmody		2025-03-20
Mark Jenkinson		2019-11-06
Timothy Joseph Quinlan		2023-03-23
Vasco Carvalho		2023-06-22

MAKING SPACE

England & Wales - Charity number 512907

Accounts



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

Annual Report & Financial Statements

For the year ended 31st March 2025

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Chair's welcome

Welcome to the Making Space Annual Report and Accounts for 2024-25. I am pleased to present the Annual Trustee Report for Making Space, a year-end reflection that not only captures the scale and impact of our work, but also honours the people at the heart of everything we do; the people we support, their families and carers, our dedicated staff, volunteers, and partners.

In addition for the first time we have included our first annual Impact Report. The Impact Report is more than a summary of numbers and milestones—it is a testament to the power of community, compassion, and unwavering commitment to our mission.

Making Space exists to support and empower people living with mental health conditions, dementia, learning disabilities, and those who care for them. Our vision is to put wellbeing at the heart of health and social care delivered through our values and through inclusion, dignity, and independence where everyone has the opportunity to live a full and meaningful life. This year, more than ever, that vision has guided our decisions, our service delivery, and our long-term strategy, Recipe For Success, which was launched last year

We are proud to report a year of real impact, innovation, and progress. Across our wide range of services, we continued to put people first, adapting and evolving to meet individual needs, co-producing care plans with those who matter most, and ensuring we listen, learn, and act on feedback. From the launch of new community services to the expansion of digital and remote support, we have taken important steps to make our care more accessible, personalised, and inclusive.

Our teams have shown extraordinary dedication, creativity, and compassion. Despite the pressures facing the wider social care and health sectors, we have not only maintained high standards of care but also introduced new training, wellbeing initiatives, and leadership development programmes for our workforce. We know that investing in our people is investing in the future of our organisation and this commitment has strengthened our culture and our capacity to deliver outstanding services.

Of course, we must also acknowledge the very real challenges we have faced. Financial uncertainty, rising operational costs, and increasing demand for complex care have tested our resilience. Like many in the sector, we've navigated the ongoing consequences of staff shortages and recruitment difficulties, exacerbated by a shifting external landscape. These pressures require us to be more agile, more efficient, and more innovative than ever before.

As trustees, we remain deeply impressed by how the entire Making Space community continues to rise to these challenges. Through strong leadership, sound financial governance, and a clear sense of purpose, we are emerging stronger, more focused, and more united in our mission.

This report offers a comprehensive overview of our activities, achievements, and financial position over the past year. It also outlines the strategic direction we are taking to ensure our sustainability and our ability to respond to future needs. We are committed to building on the foundations laid this year, deepening our community relationships, expanding our reach, and most importantly, continuing to provide life-enhancing support to those who need it most.

On behalf of the Board of Trustees, we extend our deepest thanks to everyone who has been part of our journey this year. We are incredibly proud of the progress we have made—and we look forward to another year of collaboration, learning, and positive change.

Together, we are truly making space for people to thrive.

Professor Mike Thomas
Chair of Trustees



Trustees' Report year ended 31st March 2025

Charity object and public benefit

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

Our trustees, following the guidance of the Charities Act 2011, have ensured that everything we do provides clear public benefit. In 2024-25, we continued to deliver this benefit by offering essential care and support to individuals, their families, and carers as they navigate life's toughest challenges.

Our vision and mission

Our vision is to put wellbeing at the heart of health and social care. This is supported by our mission to build strong relationships, connect communities, and deliver personalised care that's as unique as the people we support.

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

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

Our values in action

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

- **Kind hearts:** We lead with empathy, building a sense of belonging and treating everyone with warmth, kindness, and fairness. We listen without judgment and encourage each other to be our authentic selves.
- **Tailor-making:** Every relationship is unique, and we're committed to adapting our care to meet each individual's needs. We work as a team, sharing information and finding solutions together.
- **Dreaming big:** We're always looking for ways to exceed expectations, embrace creativity, and encourage others to take bold steps forward. Whether small or big, every success counts.
- **Having courage:** We stand up for what's right, embracing new ideas, taking managed risks, and learning from our mistakes. Together, we push boundaries to create positive change.
- **Being ready:** Change is constant, and we're ready for it. By planning ahead, communicating openly, and building strong relationships, we stay ahead of the curve and never stop growing.

Our services

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

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

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

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

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

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

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

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



making space

Kind hearted care and support

Our Recipe for Success

Impact Report 2024-25



Welcome from our CEO

Welcome to our first Annual Impact Report!

As we reflect on the past year, I am filled with immense pride and gratitude for what we have achieved together. This Impact Report is more than a summary of numbers and milestones—it is a testament to the power of community, compassion, and unwavering commitment to our mission.

Over the last 12 months, we have faced challenges that tested our resilience, but we have also witnessed extraordinary moments of hope, progress, and transformation. Thanks to the dedication of our staff, volunteers, partners, and supporters, we have been able to reach more people, deepen our impact, and continue building a future where everyone has the opportunity to thrive.

From expanding our services to launching new initiatives, every step we've taken has been guided by the voices of those we serve. Their stories inspire us daily and remind us why our work matters.

As we look ahead, we remain committed to driving change, challenging inequality, and amplifying the voices of those too often unheard. Together, we will continue to push boundaries, innovate, and create lasting impact.

Thank you for being part of this journey. Your support makes everything possible.



A white rectangular box with a torn-edge effect containing a handwritten signature in black ink that reads "Rachel Peacock".

RACHEL PEACOCK

Chief Executive

In 2024 we launched our new Strategic Plan, Our Recipe for Success.

Our new strategy is built upon three strategic themes we want to realise through Making Space's charitable work in the next 5 years. The three strategic themes will remain the same. Each strategic theme identify three annual key objectives.

Theme 1: Co-production

Objective 1: Citizen Involvement

- Ensuring a quality volunteer experience is inclusive, flexible, connected, and meaningful
- Providing suitable for student placements, social work and nurse students
- Extending the Making It Real framework with Think Local, Act Personal to adapt and develop the making it real plans and creating a different format for individual services

Objective 2: Quality Matters

- Digital Systems will be effectively using digital systems within a standardized agreed format.
- Audits will be further developed taking into account the new CQC single assessment framework and PAMMS assessment and other regulatory requirements.
- Customer satisfaction audits will involve with the making change group

Objective 3: Expanding our reach

- Focusing upon prevention and timely discharge from hospital
- Delivering new services through acquisition and merger
- Improving our existing services and focusing upon relationship management

Theme 2: Our People

- Building our teams – how we attract, develop and retain our people, whilst being ready for the future
- Inspiring and inclusive leadership – developing, valuing and supporting our leaders to fully engage and inspire their teams
- Having a voice and feeling valued – feeling empowered to bring our whole self to work whilst being recognised and respected

Theme 3: Creating a sustainable future

Objective 1: Financial sustainability

- Ensure all services are financially sustainable
- Effective use of reserves and investments
- Increase the level of financial management skills across the organisation

Objective 2: Embedding Environmental, Social and Governance (ESG)

- Environment - to bring the benefits of carbon and energy reporting to our services
- Social - to demonstrate our 'public' benefit through promoting good health and wellbeing in our communities
- Governance – follow the Charity Code of Governance

Objective 3: Giving something back

- Consolidating our Corporate and Social Return on Investment
- Evidencing our impact, how our services reduce costs to the wider public purse
- Developing an annual plan for allocating unrestricted reserves gained through fundraising

Strategic Roadshows

The roadshows were designed to:

- Communicate the strategic vision to staff, volunteers, and service users.
- Encourage engagement and feedback
- Provide clarity on how each individual contributes to the organisation's success 1

Sessions were held across multiple locations including Warrington, Leeds, Coventry, and Spalding.

Each colleague attending was asked to make 3 commitments, outlining their role in delivering on the strategic objectives.



Ensuring a quality volunteer experience that is inclusive, flexible, connected, and meaningful

Making Space is proud to celebrate the inspiring individuals who dedicate their time, energy, and talents to making a difference. Volunteers are the backbone of countless communities, and at Making Space, we are incredibly grateful for their contributions that change lives every day.

In 2024, we again honoured the incredible impact of our volunteers at a special event held at The People’s History Museum in Manchester. The day was a testament to their passion and commitment, showcasing the transformative impact they have on the people and services we support.

As well as enjoying a three course meal, and entertainment provided by, we held an awards ceremony celebrating our volunteers and teams, who have demonstrated exceptional commitment and impact by giving their time.

In 2024, we also set our sights on achieving the Investors in Volunteers Accreditation (IiV), which is the UK quality standard for good practice in volunteer management. Achieving the standard was important for us to evidence to our volunteers – and potential volunteers – how much they are valued and to give them confidence in our ability to provide an outstanding volunteer experience.



Extending the Making It Real framework with Think Local, Act Personal (TLAP) to adapt and develop the making it real plans and creating a different format for individual services

At Making Space, volunteers also play a vital role also in shaping the organisation's future. Their commitment embodies the spirit of co-production, where volunteers and staff work together to create positive change on an equal footing. Our Making Change Group is made up of volunteers with lived experience, who give their time to put co-productive practice at the heart of everything we do.

Their contribution include:

- Shaping Strategies: Contributing to the Quality and Improvement Strategy to enhance our services
- Recruitment: Using lived experiences to support the recruitment of employees and Trustees
- Co-Producing Events: Partnering with us to deliver events like the Our People Awards
- Peer Reviewing: Providing insights through peer reviews to ensure the highest standards of care

In 2024, we developed our Making it Real Game, which is themed around the co-produced "I" statements, developed by TLAP and translates it into a fun and accessible way of developing person centred practices in our services. The game was tried and tested in our services as part of a pilot programme, and the positive feedback from our colleagues and the people we support, who took part, spurred us on to looking at how we can develop it to have a real impact on the sector. In 2025/26, we will continue with this project, working to develop a prototype.



In October 2024, we held our annual People Awards event at the iconic Aintree Racecourse in Merseyside

The event was themed around ability, rather than disability and included a talk by Gary Skyner, who was one the first people in the UK born Thalidomide.

We also had a dance section led by Dance Syndrome, with some of the people we support from our Lincolnshire Services getting involved.

We concluded the day with everyone on the dance floor to a ABBA Tribute Group, who brought the house down. We hosted 350 people including people supported, staff and volunteers with breakfast rolls, refreshments and afternoon tea.



Having a voice and feeling valued – feeling empowered to bring our whole self to work whilst being recognised and respected

On 5 July 2024, we came together at The Edwardian Hotel, Manchester to celebrate the incredible contributions of our colleagues, volunteers, and apprentices at the Making Space Colleague Awards 2024.

Hosted by Phil Orton and presented by Rachel Peacock, Tim Quinlan, and Paul Turney, the event welcomed 192 guests for an afternoon of recognition, inspiration, and celebration. The programme included a motivational session by Kat Thorne, a three-course lunch, and the presentation of 12 awards, including the newly introduced Jordan Carrington Kind Hearted Award—a heartfelt tribute to a cherished colleague.

Award Categories included:

- Wellbeing Hero
- Community Integration
- Inspiring Leader
- Diversity and Inclusion
- Co-production
- Newcomer
- Outstanding Contribution
- Behind the Scenes
- Learner of the Year
- Volunteer Award
- Team of the Year
- Jordan Carrington Kind Hearted Award



Expanding our Reach

Focusing upon prevention and timely discharge from hospital



Commissioned by NHS Greater Manchester Integrated Care as part of the crisis pathway, Open Door opened in 2020 as an essential service for people aged 18+. In 2024/25 Open Door continued to provide a safe haven for immediate crisis management and emotional support, structured guided self-help and IAPT approved computerised CBT programmes, taking a person-centred approach to hearing the needs of the people accessing the service.

In 2024/2025 Open Door received 1,080 referrals and had a total of 7,486 contacts. That is double the amount of contacts the service is commissioned to provide. By offering an environment where we work collaboratively to understand each person's strengths and build on their resilience, we explore what is needed, wanted and how to get there. By taking this approach we are able to ensure the right support is available at the right time. In 2025 we will be moving our Open Door service to larger and more accessible premises, as part of our commitment to creating a support and recovery hub, for the people of Stockport.

Maria's Story



Maria was referred to Open Door by her English tutor and her GP. Open Door was advised that Maria was experiencing language barriers, as the referrer was aware Open Door may be able to help due to Open Door having bilingual staff. Maria was experiencing psychological and financial abuse, and coercive control. She was experiencing barriers to support and advice due to language barriers. Additionally, suffering from some periods of depression, stress and anxiety.

The recovery worker supporting Maria was able to combine their bilingual skills along with interpersonal skills, together with the ability to maintain a non-judgemental attitude, patience and knowledge of mental health, and listening skills to ensure Maria was fully supported at Open Door. Maria was involved in the decision-making process at every step of the way and stated that she felt much better receiving support in her own language and help to obtain accurate advice about the options she has in the context of trying to legally live in the UK in her own right. Maria was grateful for Open Door for facilitating support, and the information and advice she needed.

Located in the heart of Stockport, Castlewood Court is just a 10-minute walk from the town centre and close by to fantastic local bus and rail transport links. Castlewood Court offers the people we support a safe city-centre style living with access to the building controlled via a secure fob entry system and CCTV. The accommodation comprises 18 flats over 4 floors, with 3 ground floor flats and lift facilities throughout, giving various options for those who require level access and who have mobility needs.

5 of the apartments at Castlewood Court are commissioned by Greater Manchester ICB to provide an alternative to hospital admission for people experiencing a mental health crisis. The apartments are also available for people ready for discharge from Inpatient Wards, who may need additional rehabilitative support or help finding longer term accommodation.

In 2024-2025, our Castlewood Court Recovery Point, supported 36 people in total. 10 people were able to be discharged from hospital and 26 people avoided admission to hospital by accessing, person centred, holistic support from our team of Senior Recovery Workers. The service provided 586 days of support with the average length of stay for all admissions being 16.27 days. Based on the cost of traditional mental health services:

- Arden/Norbury Ward Admission, costings per night £350.00
- Presentations at ED, £380 per person
- Unplanned admissions, £2,164 per person
- Usage of private hospitals e.g. The priory x days, £600.00 per day

Castlewood Court saved the NHS £402,000 in 2024- 2025, with a social return on investment of £4 for each £1 invested. Our service has been vital to supporting the NHS in reducing the need for a hospital admission and to support bed flow management within Pennine Care NHS Trust.



Pearl's Story



Pearl was referred to Recovery Point from A&E Stepping Hill, presenting with a decline in her Mental Health and attempted suicide through overdose. She was struggling with domestic relationships issues and feelings of hopelessness. Pearl agreed to a 2 week stay in our crisis flats as an alternative to admission and was transferred to Recovery Point.

On arrival our Recovery worker welcomed Pearl into the service where she was shown her designated self-contained Apartment and was given information on the local services and resources available to support her stay. She had added comfort that onsite staff were available 24/7 should she feel in crisis and require any assistance, with added comfort of knowing that she have visitors and that she would be safe and supported throughout her stay. Pearl was visited daily by our Recovery team and offered support in any areas of which she felt would assist her in her recovery period. A multi-agency approach working collaboratively with Home Treatment Team and the Domestic Violence team.

Pearl was supported and prompted to take her medication during her stay and regular welfare checks were implemented to build rapport and trust whilst continuing to assess her Mental Health through working in partnership with Home Treatment Team. Pearl was supported to make informed choices and offered advice and small goals to reach for during her stay.

The difference we made

During the period that Pearl resided in Recovery point we were able to support her to rest and recover. Pearl described the experience as one that really supported her on her road to recovery.

Pearl was able to take time away and gather her thoughts and re-evaluate her situation in a safe and supportive environment. She was able to reside safely with the knowledge that staff were available 24/7 if Pearl needed any emergency assistance or to talk out her thoughts and feelings.

We provided support around medication for the first few days to reduce risk of harm whilst Pearl settled into the service. Pearl left our service feeling refreshed and in a better mind set, with the tools to move forward and regain control of her life.

Based on the success of our Castlewood Court Recovery Model, in 2024-2025 we started work with Greater Manchester ICB, to remodel our Ashwood Court Independent Hospital. The new model will go live in April 2025, and will be a step-up/step-down recovery service, aimed at reducing the need for hospital admission and to facilitate timely discharge from inpatient settings. Unlike the Castlewood Court model, the reimagined service at Ashwood Court will be nurse led, with support from a Psychiatrist. The ethos of the service will have recovery and rehabilitation at the core, with a more holistic approach to meeting the needs of people at the point at which they present.

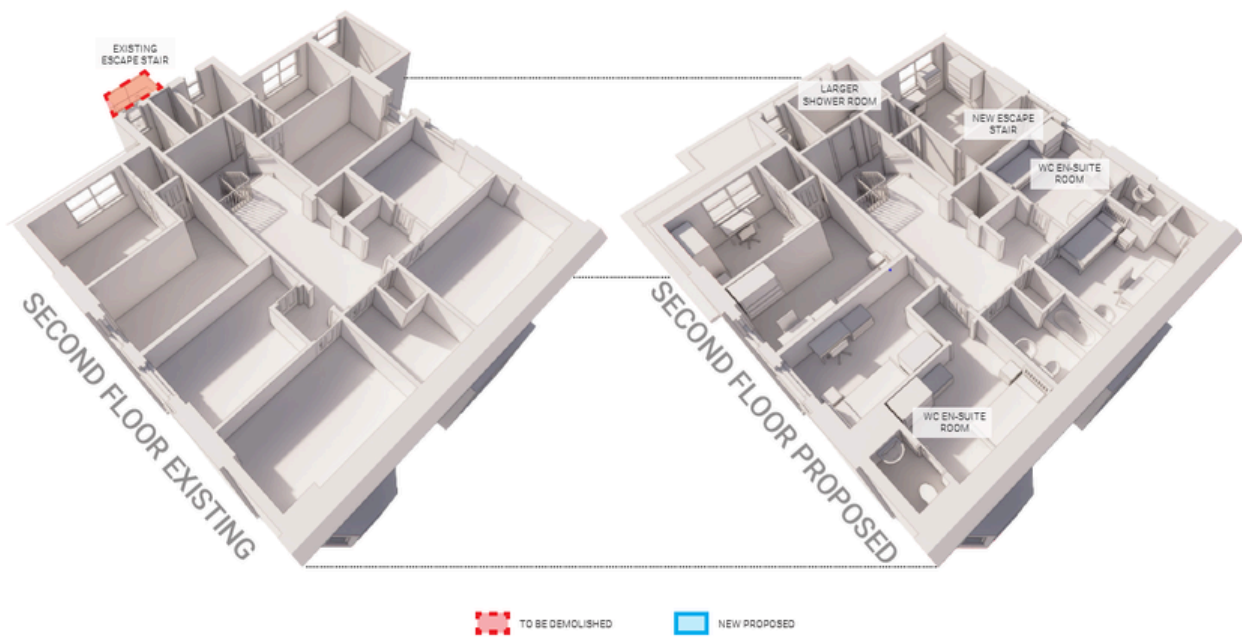
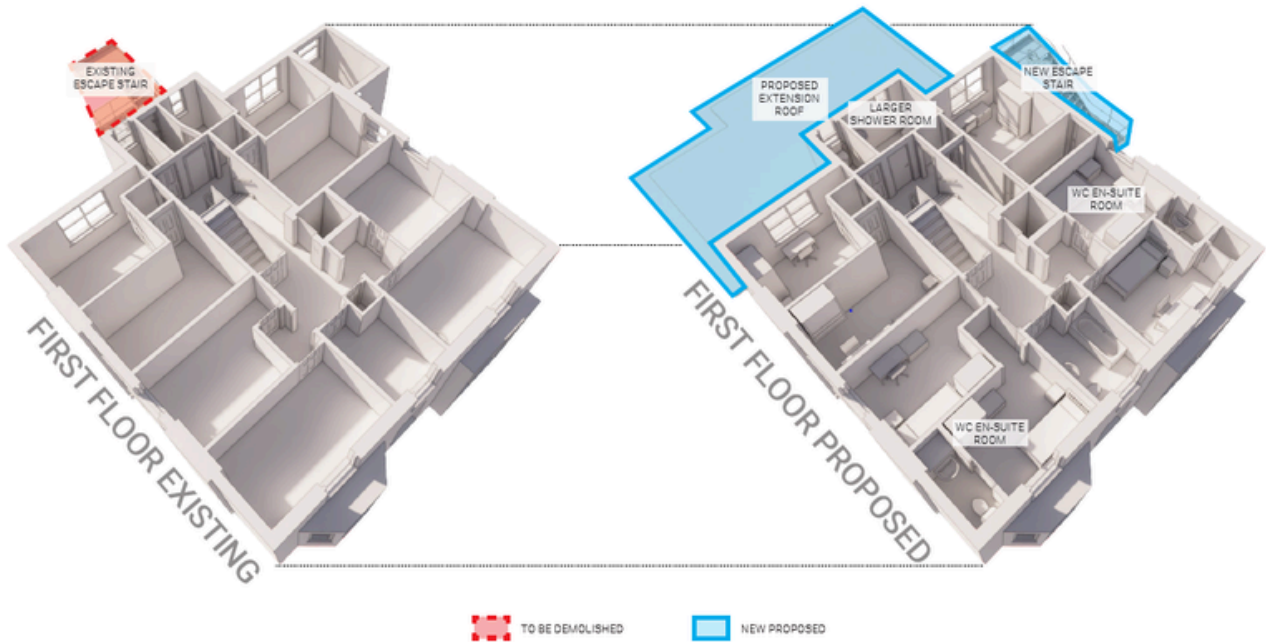
Delivering new services through acquisition and merger

In November 2024, we acquired the building from which we deliver our Palmyra Mental Health Residential Service.

The building previously owned by Riverside Housing Association, has been an important part of our history, and represents our commitment to investing into the communities we serve.

In 2025-2026, we will redesign the building into a bright modern space, maximising en-suite rooms and co-producing communal areas that are fit for the future.





Giving something back - evidencing our impact

Bronze Social Value Award for Making Space

We're proud to share that in March 2025, Making Space was awarded the Bronze Social Value Quality Mark (SVQM) – one of the UK's most rigorous accreditations for organisations committed to making a positive difference.

The award recognises our dedication to putting people first – not only those we support, but also our colleagues, partners, and the wider communities we serve. Social value is at the heart of everything we do at Making Space. Whether it's improving wellbeing, reducing inequalities, supporting carers, or building stronger, more sustainable communities, we are committed to creating a lasting impact.

Our newly formed Social Value team has led the way in developing a clear, measurable approach to the value we bring. The SVQM sets a national benchmark for excellence, celebrating organisations that lead with compassion, purpose and integrity.

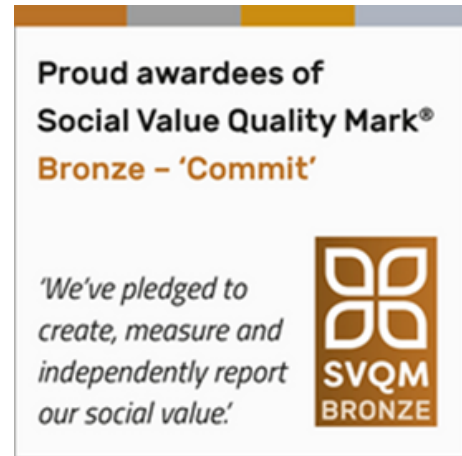
Rachel Peacock, CEO of Making Space, said:

“At Making Space, we're proud to put wellbeing at the heart of health and social care, and achieving the SVQM Bronze is a proud moment for us all. It recognises the incredible work happening across our services every day and reflects our deep commitment to creating meaningful impact – whether that's as an inclusive and supportive employer, through sustainable practices, or by building strong partnerships in the communities we serve.

“We believe we have a responsibility not only to the people we support, but to society as a whole. From those living with complex mental health needs and learning disabilities, to people with dementia, older adults and unpaid carers, our teams lead with kindness and compassion.



“This award is a testament to the dedication of our Social Value team and the many colleagues who live our values through their work. By listening to the people who use our services and working closely with our co-production partners, we continue to ensure our approach is inclusive, forward-thinking and always improving.”



To achieve the Bronze Quality Mark, Making Space committed to creating, measuring and independently reporting its social value. The organisation has developed 10 pledges and 9 Key Value Indicators (KVIs) across core themes including employment, volunteering, health, wellbeing, environment, economy, education, skills, housing, innovation and community. These commitments ensure that everything we do is focused on making life better – not only for individuals, but for society as a whole.

Richard Dickins, Managing Director of Social Value Quality Mark CIC, said: “We are delighted to award the Social Value Quality Mark to Making Space - a charity that helps people with support needs to live independent, fulfilling lives. The Quality Mark supports organisations to value and showcase the difference they make to stakeholders, service users and communities. It is much deserved recognition.”

Based on our 2023/24 social value data, Making Space generated £119,407,054.30 in social value. That included £89,289,780.04 or 74.78 % of spend contributing to Health & Wellbeing and £29,307,992.74 contributing towards Employment & Volunteering.

Our Community and Wellbeing division returned £26.67 per £1 invested and our Volunteering Opportunities generated a social return on investment of £4.29 per £1 spent.

Social - to demonstrate our 'public' benefit through promoting good health and wellbeing in our communities

Each year, one unpaid carer saves the public purse an average of £39,148.94, by keeping the person they look after well at home.

The cost of supporting one carer via our Bolton Mental Health Carers Support Services creates an average Social Return on Investment of £682 per £1 spent. Our dedicated Fundraising Team, offer vital support to our smaller services, that continue to go above and beyond to meet the needs of the carers we support, despite the increasing financial challenges we face as a charity.

Bolton Carer's Mental Health Service is commissioned by Bolton Council to provide information, support and signposting unpaid carers who are supporting someone living with a mental health condition. The service provides a holistic person-centred approach to support, which can include the completion of a statutory Carers Assessment, which informs the creation of an individualised Carers' Support Plan. This ensures that carers have the resources and support they need in their caring role to maintain their own health and wellbeing.

In 2024/25, despite facing a deficit budget of £8,446.00, we continued to deliver our essential services to carers across Bolton. Our Fundraising Team secured over £11,000 in grants, to help cover the cost of peer support groups, activities and trips which give carers an essential break from their caring role. The grants have also allowed us to reach our most vulnerable carers to help them to cover utility costs and to purchase essential household good such as microwaves, washing machines and cookers. All of the beneficiaries that received the awards were unpaid carers in the Bolton area, 95 % of the carers were over the age of 55.

Thanks to grant providers in the Bolton area, we facilitated 72 peer support groups, supporting 523 carers, and supported an additional 192 new carers referred to the service, an increase of 6 % from the previous year.

Millie's Story



Millie cares for her husband, an ex-naval officer, who was diagnosed with a mental health condition after experiencing suicidal tendencies. He had developed an alcohol addiction as a coping mechanism. Through accessing our Carers Service, Millie was able to reach the services she needed to support her husband and herself. We referred Millie's husband to the Darren Deady Foundation, who offer comprehensive support to veterans and their families. Millie has accessed regular emotional support as well as our grants scheme for essential household goods. Now Millie feels confident to attend our socials and is ready to start building friendships with other carers.

Bradford and Airedale Mental Health Carer Support

The cost of supporting one carer via our Bradford Mental Health Carers Support Services creates an average Social Return on Investment of £226.29 per £1 spent.

Our Bradford and Airedale Mental Health Carer Support service exists to make a positive difference to the lives of unpaid carers (18+) supporting an adult friend, neighbour or relative with a mental health condition. Providing a range of support & activities across our local area with our staff and volunteers who all have lived experienced of being a carer and understanding of mental health conditions/complex needs.

Every carer has their own journey and story to tell and whilst many carers have shared experiences, all the carers that are registered with us are unique. Despite these differences, Bradford & Airedale Mental Health Carer Support Service have one vision: To bring the day forward when family and friend carers are seen, heard, and included:

- 1,025 Carer's worked with this year
- 235 new referrals received into the service
- 602 hours of one to one contact for new referrals within the first 4 weeks
- 120 support groups facilitated across the Bradford district
- 918 carers attendees at our support groups

Simon's Story



Simon was caring for his friend with a severe enduring mental illness as well as a physical disability. Friends and family had become increasingly concerned about him being depressed and wanted him to get some help.

He had finally agreed to do so and a referral had been made into our service by a mental health professional. Alongside his caring role Simon was also experiencing other significant life changes with his own physical health deteriorating, loss of employment and income that were making him feel overwhelmed and out of control.

Through spending time in regular one to one sessions he was able to recognise that things could be different and began to focus of the areas of his life that mattered the most to him at that time. We were then able to signpost and support successful applications for a wellbeing grant, additional benefits to increase his income which included a blue badge so he could get out and about more easily. With information of carer groups and activities Simon became a regular attender of our groups, trips, and activities and began an IT course.

Information was also provided on mental health services, their roles, phone numbers and a plan for mental health crisis support put in place for the person he cared for. As we continued to meet on a regular one to one basis Simon began to feel more confident that things were improving for him.

He was beginning to be able to consider his own needs more while still supporting his friend in much more assured way and began to resume plans for himself to improve his situation. His physical, mental and overall wellbeing was improving, and he was feeling much more optimistic and hopeful about himself and plans for the future. By the end of the sessions he had gained confidence in the groups and was happy to attend those and no longer required one to one support but knew if the situation changed he could request those support sessions again.



Warrington Connect Hub

This year, we've worked hard to adapt and tailor our groups and services to meet the changing needs of those we support. By actively listening to the feedback from the people we support, we have been able to shape our offer to be more relevant, inclusive, and impactful. Collaboration has also been key to our success, working closely with other local services has helped us extend our reach and strengthen the support available to our community.



- 338 referrals received
- 773 people attended our groups and activity sessions
- We delivered 1,919 hours of one to one support

The expansion of our volunteer programme, increasing community Involvement and enhancing the support available to the people we support.

Nomination for the Market 3rd Sector Award's Community Engagement Award in recognition of the Connect Hub and Café Connects work to promote mental wellbeing and inclusivity.



On 10 December 2024, Café Connect was featured on Good Morning Britain as part of the national '1 Million Minutes' campaign, highlighting our efforts to reduce loneliness through community-based initiatives.

Award recognition at the Our People Awards, with a member of the Connect Hub team receiving the Determined Award for their outstanding personal and professional progress.



Successful bid to the National Lottery, securing £20,000 in funding to further develop and enhance our offer by funding Rainbow After the Storm to deliver a cookery course. Simmer & Learn is a 4-week programme that encourages participants to build confidence in the kitchen, enjoy cooking, and try out easy homemade meals. Each participant receives a piece of cooking equipment used during the sessions, such as a slow cooker or a blender, to take away so they can continue to cook at home.

Ben's Story



Ben was referred to the service for emotional support following the loss of a child and the uncertainty of facing redundancy. During his first meeting, he was extremely anxious and struggled to see any positive way forward.

Initially hesitant to engage, Ben was gently encouraged to explore coping strategies and was referred to therapeutic and employment support services. Over time, Ben began to engage more actively in his own recovery, attending therapy sessions and accessing practical advice around redundancy options.

With additional encouragement, he joined a peer-led men's wellbeing programme, which he found particularly helpful. Hearing from others with similar experiences provided reassurance and a sense of connection. By the end of Ben's support period, he reported a noticeable improvement in his mood and confidence.

Family members also recognised positive changes, noting that Ben seemed more like his old self. Ben has since started re-engaging in past interests, including fitness activities and listening to motivational podcasts. He continues to receive support from external services as he moves forward with renewed hope and resilience.



Embedding Environmental, Social and Governance (ESG)

Environment - to bring the benefits of carbon and energy reporting to our services

In 2024/25, we started our journey to better understanding our environmental impact and we needed a campaign under which we could fly the flag of protecting the environment in a way that people could connect with. We achieved this by launching our Wildflower Campaign, which encouraged people to plant wildflowers in pots, window boxes and gardens to encourage bee and butterfly pollination.

We handed out enough wildflower seeds to cover 0.69 acres, about half the size of a football pitch. We distributed the seeds at our major events, strategic workshops and during carers, co-production and volunteer's week stalls and celebrations.

Planting 30,000 square feet of wildflowers can have a significant positive impact on the environment. Here's how:

Boosts biodiversity

- Wildflower meadows support a wide range of pollinators like bees, butterflies, and beetles
- Studies show pollinator visits can increase by over 400 % in wildflower-rich areas

Improved soil health

- Deep-rooted wildflowers enhance soil structure, reduce erosion, and improve water retention
- They also support beneficial microorganisms and contribute to carbon sequestration

Year-round ecosystem support

- Even when not in bloom, wildflowers store water and nutrients in the soil and provide shelter for wildlife

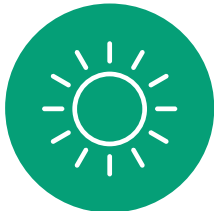


In 2024/25 we started our journey to better understanding our environmental impact

Environmental projects initiated in 2024/25:



Electric car scheme



Solar panels at Ashwood Court and Kingshill - Energy Savings Opportunity Scheme (ESOS)



Focus on reducing use of lights



Review of water usage to identify leaks and ways of reducing consumption

We also focussed upon identifying improved reporting against Scope 3 indicators, including collecting data on home office electricity and gas heating, and commuting and business travel.

Measuring success

Our board of trustees track progress through the delivery of key goals and deliverables as well as key performance indicators (KPIs) across four areas:

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

Achieving our goals and key deliverables during 2024-25

Some of the areas identified below are also include in more detail in our Impact Report which forms the beginning of this narrative, a summary is included here for completeness.

- **Ensure that the people we support (PWS) are actively engaged with quality improvement across the organisation**

There have been multiple examples of the PWS being actively engaged with quality improvement across the organisation over the past 12 months.

Members of the Making Change Group continue to provide input on the 'Outstanding Club' sessions. They lead on the session entitled 'what do the people we support say'.

The Making Change Group have recently developed a set of peer audits under the following domains; cleanliness, activities and the dining experience. Members of the group will undertake the audits in regulated services in the autumn of 2025.

The 'Move in, Move on, Move Out' guide was developed in consultation with PWS at Inspiring Minds, commented on by the Making Change Group and finalised by Operations.

- **Achieve a volunteer accreditation**

Making Space has achieved the Investing in Volunteers (IiV) quality standard for good practice in volunteer management. Achieving the standard shows to our volunteers, and potential volunteers, how much they are valued and gives them confidence in our ability to provide an outstanding volunteer experience.

- **Update our digital strategy**

In September 2024 the "Digital Capability" project was established with a discovery phase undertaken during which all staff were engaged through surveys, stakeholder groups and 1-2-1 discussions. By the end of the discovery phase of the project we had not only developed an in-depth understanding of the 'as-is' state, key systems change priorities, but also numerous opportunities and potential benefits of transforming our current ways of working through digital transformation - to staff, management, the People Supported and the broader organisation, as well as families and commissioners. Following this a detailed programme and resource plan has been developed and is in the process of being implemented.

- **Implement a new core finance system**

The implementation of a new core financial system was deferred from 2024 to 2025 in order to align with Microsoft’s upgrade from Business Dynamics to the Dynamics 365 Business Central business management solution. This upgrade is now scheduled for Q4 of the 2025/26 financial year.

- **Reduce the use of agency staff by improving our bank staff capacity**

There has been a reduction in agency usage with 2024/25 average agency spend being £170k pm, a reduction of 26% from the 2023/24 figure of £230k per month. An agency strategy was put in place in early 2025 with all bank and agency staff working regular hours being offered contractual hours to stabilise permanent hours and ensure consistency of care across services. Future plans include introducing a rostering and shift booking system for all ‘hourly paid’ employees to book and pick up shifts.

- **Explore merger and other acquisitive opportunities for business growth in line with our strategic plan, A Recipe For Success**

Merger and acquisition opportunities are assessed when they arise and the Senior Leadership Team use their networks to keep abreast of such opportunities and build appropriate relationships to further this aim. Our acquisition of Palmyra is described within the Impact Report referred to above.

- **Develop a set of leadership behaviours to create greater consistency, accountability and alignment to value.**

This project is ongoing with engagement with focus groups now being complete. Following this engagement leadership behaviours are in the process of being drafted taking on board feedback from the focus groups with next steps including further communication and embedding of behaviours.

Key performance indicators

Performance against our KPIs for 2024-2025

KPI	Benchmark	Target	Actual	Narrative
1. Increase our digital ability to measure our impact and outcomes for the people we support.	% of services with electronic care plans in place against implementation target.	90% and above.	100%	Nourish care planning system / charity log-significant progress has been made in embedding the system across all services.
2. Provide high-quality care for the people who use our services.	CQC compliance in top quartile % of services rated as good or above.	90% and above.	90%	There are currently 21 CQC registered services that have been assessed by CQC. Of these two are rated as ‘Requires Improvement’ one being a new service to Making Space. 19 services are therefore rated ‘Good’. There is one additional new service which is yet to be rated by CQC.

KPI	Benchmark	Target	Actual	Narrative
3. Actively involving people we support in the design and delivery of services.	% of services with a Making it Real plan, where appropriate, in place.	70% and above.	100%	Making It Real plans remain an important focus of our service delivery – over the year plans have been continuously improved to take account of the differing service types and requirements across the organisation.
4. Connecting people to their communities and others through volunteering.	% of community services with volunteer roles, actual versus plan.	80% and above.	83%	Our volunteer strategy has been implemented and we have achieved the Investors In Volunteering Accreditation.
5. Listening to the people we support to improve our services.	% of services with service user feedback mechanisms in place.	80% and above.	100%	Services have a range of processes and engagement tools in place to gain feedback to enable us to continuously improve services for the people we support.
6. Attract the right people with the right values in the right number.	Vacancy % compared to 2020 Skills for Care Report of 7.3%.	6.5% and below.	8.6%	Marginally up from last year's figure of 8.4%. New services have been taken on with vacancies to recruit into and this should also be seen in the context of reduced turnover as shown below.
7. Have a workforce that feels valued and rewarded.	Turnover % compared to 2020 Skills for Care Report of 30.4%.	25% and below.	24.3%	Turnover reduced from 25% to 24.3%. We continue to maintain paying the Real Living Wage and are now retaining around 80% of new starters in the first six months of employment.
8. Develop our people's skills to their full potential.	Operational colleagues qualified to at least level two compared to 2020 Skills for Care Report of 48.0%	48.0% and above.	47.7%	We are marginally below target however continue to support colleagues with training and currently have 75 colleagues working towards awards.

KPI	Benchmark	Target	Actual	Narrative
9. Maintain our financial viability.	Achieve agreed annual budget deficit of £95,072.	Worse than budget.	Actual deficit of £459,256 (variance against budget of £364,184)	The main driver for this negative performance was fire safety expenditure due to changes in legislation costing an additional £360,000 in additional staff and lost revenue due to reduced occupancy.
10. Continue to grow so our positive impact is felt more widely.	Achieve growth in income while generating a reasonable surplus.	Income larger than previous year.	Income has increased from £33.7m to £34.2m	Increased income by 1.5% due to additional funding for existing contracts and new work won through tenders.

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

Looking Forward – A Recipe for Success : our organisational strategy

As reported in last year’s annual report during the 2023/24 financial year we refreshed our strategy with three key themes and objectives to guide us through the next five years:

Co-production

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

Our people

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

Sustainable future

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

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

Strategic drivers

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

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

Our plans for 2025-26

We will:

Theme 1: Co-produced Services at Making Space

- Building professional relationships with practice educators, supervisors and assessors.
- A volunteer and coproduction action plan and strategy.
- Expansion of our innovative models of support: Crisis Services, Recovery Hybrid Supported Housing and Psychological Therapies.

Theme 2: Our People

- Introduce a new and improved retention and exit process ensuring that lessons are learnt and acted upon.
- Develop a set of leadership behaviours to create greater consistency, accountability and alignment to value.
- Develop an EDI plan which sets out deliberate actions to create a more diverse, equitable and inclusive organisation.

Theme 3: Creating a sustainable future

- Updated reserves and investment strategies.
- Annual financial report to contain enhanced Energy and Carbon Reporting.
- Annual report: Corporate and Social Return on Investment.

Financial review

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

Our financial performance saw a downturn, with an operating deficit of £459,256 this year, a reversal compared to last year's deficit of £62,525. A key driver behind this was changes in legislation resulting in additional staffing requirements and reduced occupancy at some of our homes while fire safety work was carried out.

Our total income grew by 1.5%, rising from £33.70 million in 2023-24 to £34.21 million in 2024-25, driven by contract funding increases and new business through successful tenders. While total expenditure increased by 2.7% to £34.67 million due to inflation.

Although our balance sheet showed a slight net decrease in funds, from £16.49 million to £16.03 million, we remain financially robust.

Reserves and going concern

We regularly review our reserves to ensure the charity's financial health. Our policy for 2024-25 was to invest any surplus funds beyond our two-month operating reserve of £5.74 million into new services. On 31 March 2025, our cash and short-term investments stood at £8.12 million, leaving £2.38 million available for new service investment.

In March 2025, the board reaffirmed our policy of maintaining a two-month operating reserve, with other reserves to be designated during the budget process. These included:

Operating cost reserve	£5.737m
Planned maintenance	£0.131m
<u>Investment reserve</u>	<u>£2.621m</u>
Total allocated	£8.125m

Investments

Our trustees review investment strategies annually, maintaining a cautious approach by investing in cash with UK credit-referenced banks maximising returns by consistently seeking the best interest rates from multiple banks. In order to maximise returns further a process will take place during 2025/26, led by the Chief Finance Officer and involving Trustees, to appoint an investment manager with a view to invest cash in longer term investment vehicles and increase the rate of return.

Fundraising practices

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

As a registered charity with the Fundraising Regulator, we strictly adhere to the Fundraising Code and comply with all standards. No complaints were received about our activities this year, and we take extra care to protect vulnerable people during fundraising efforts. We do not seek donations from those we support and always ensure donors are fully informed about the use of their gifts.

Risk Management

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

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

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

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

The risks with the highest combined impact and probability continue to be financial, largely driven by

local authority funding pressures and narrow margins, which impact recruitment and the viability of some services. We manage these risks through negotiations for higher contract uplifts, efficiency improvements and innovative business strategies.

Another key risk relates to potential IT system or data loss, which we address through strong disaster recovery protocols and encryption software. Internal risks are minimised through consistent procedures, support and staff training. Alongside data loss the continued increase in cyber threats and use of Artificial Intelligence is an increasing risk for the organisation. These risks are managed through the use of firewalls, authentication protocols, training, and the deployment of specific cyber threat software that provides intelligent and comprehensive security orchestration, automation, and response (SOAR) capabilities to detect, investigate, and respond to cyberthreats across our enterprise

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

Energy and carbon reporting

We recognise the challenges presented by climate change and the responsibility we have to reduce the impact Making Space has on the environment. We are committed to reducing our energy and fuel use as well as waste.

Carbon footprint (greenhouse gas emissions)

Type of emission	Activity	2024-25
		tCO ₂ e
Direct (Scope 1)	Gas	397
Energy Indirect (Scope 2)	Electricity	121

Intensity metric		
Number of employees		984
Tonnes of CO ₂ e		0.53

Assessment parameters

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

Administrative details

Making Space is a charity (registered charity number 512907), and a company limited by guarantee (company registration number 01642033).

Registered office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as trustees during the reporting period, and up to the date of signing:

E Johnstone	Appointed 22 June 2017
N Hormozi	Appointed 6 November 2019
M Jenkinson	Appointed 6 November 2019
K Wykes	Appointed 18 November 2021 – Resigned 10 December 2024
M Thomas (Chair)	Appointed 8 December 2022
V Carvalho	Appointed 22 June 2023

V Ukpong	Appointed 23 March 2023 – Resigned 2 April 2024
T Quinlan	Appointed 23 March 2023
J Carmody	Appointed 20 March 2025
A Reston	Appointed 20 March 2025
J Shaw	Appointed 19 June 2025

Chief officers of Making Space

Chief Executive	R Peacock
Deputy Chief Executive	P Orton
Chief Finance Officer	P Turney
Director of Development	K Smith
Director of Quality & Improvement	P Graham
Company Secretary	P Turney

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

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

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

Structure, governance and management

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

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

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

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

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

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

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

Employee engagement

We continued to maintain pay levels in line with the Real Living Wage. In April 2024, the pay award raised the lowest wage from £10.90 to £12.00 per hour. We also ensured that pay differentials across operational roles stayed consistent with our pay and reward strategy.

Our **Annual Colleague Awards** returned for a third year, celebrating achievements of the workforce. With over 215 nominations, the awards ceremony in Manchester saw over 190 colleagues gather in July 2024. Judged by external partners, trustees and others, the event continues to be a huge success.

The **Living our Values Awards** for individuals and teams continued monthly, with 12 awards given this year. Alongside this, we actively used our online recognition hub to showcase the dedication of our colleagues. Our colleagues' achievements were further recognised in external awards where we had several finalists. We were proud to secure two wins at the Great British and Market 3rd Sector Care Awards.

Communications continue to be a priority with quarterly video updates from our CEO, a staff newsletter, and the Quality Matters publication, which focuses on quality and continuous improvement across the organisation, continuing following the successful launch last year.

Our senior leaders continue to be visible out in services and have delivered Recipe for Success roadshows that saw over 300 people attend.

The Equity, Diversity, and Inclusion Ambassadors Group launched in October 2024 and continues to gain

traction. Members include colleagues from the Senior Leadership Team, Associate Directors, workforce at all levels, and volunteers. The vision and strategy is currently being finalised with the help of Purple Infusion, a leadership and inclusion specialist.

Our colleagues' achievements were further recognised in external awards. We were proud that Sue Smith won the Inspirational Volunteer Award and our Chief Executive won the Third Sector Leader Award at the **Women Achieving Greatness in Social Care 2024**; alongside two wins at the **Housing with Care Awards 2025**, one for the Making It Real Game in the Tenant Co-Production category with the second for Nichola Sutton in the Care and Support Worker category.

Positive about disability

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

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

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

Qualifying indemnity provisions

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

Related parties and co-production with other organisations

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

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

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

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space bank account, as these are held on trust, they are excluded from the accounts of Making Space. The value held amounts to £58,315 (2024: £57,596).

Statement of Compliance with Section 172 (1) Companies Act 2006

The board of trustees of Making Space consider that both individually and together for the year ended 31 March 2025 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s.172 (1) (a) to (f) as below:

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

i. The likely consequences of any decision in the long term:

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

ii. The interests of the charity's employees:

The trustees affirm that the charity cannot function without the goodwill, hard work and dedication of its employees. They know that the key to maintaining this relationship lies in ensuring that the employee's interests align with those of the charity. The charity regularly seeks the views of its staff. Regular updates on company news and performance are shared with all employees.

The charity also carries out frequent benchmarking exercises where it measures itself against other employers to ensure that it continues to be seen as an employer of choice by prospective candidates. These assignments examine the salaries and other benefits offered by competitors in the same or similar employment markets. Making Space is committed to at least paying the real living wage.

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

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

iv. The impact of the company's operations on the community and the environment:

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

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

v. The desirability of the charity maintaining a reputation for high standards of business conduct:

The trustees of the charity recognise their important duty to ensure that the charity complies

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

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

vi. The need to act fairly between members of the charity:

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

Statement as to disclosure of information to auditors

Insofar as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware
- the trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This annual report is signed by the chair on behalf of the board of trustees. The trustees also approve the strategic report, which is contained within this report, in their capacity as company directors.

By order of the board of trustees



Professor Mike Thomas

Chair of Trustees

Date: 03/12/2025

Statement of Trustees' responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable **UK** Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Professor Mike Thomas
Chair of Trustees

Date: 03/12/2025

Independent Auditor's Report to the Members of Making Space

Opinion

We have audited the financial statements of Making Space (the 'charity') for the year ended 31 March 2025 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the trustees' assessment of the charity's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the charity's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the trustees' going concern assessment;
- Evaluating the trustees' method to assess the charity's ability to continue as a going concern;
- Reviewing the trustees' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the trustees in forming their conclusions on going concern; and
- Reviewing the appropriateness of the trustees' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of Directors

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations Charities Act 2011 the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation and employment regulation and we considered the extent to which non-compliance might have a material effect on the financial statements.

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation and pensions legislation.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the treatment of revenue recognition (which we pinpointed to the cut-off assertion), the restriction of income and expenditure and significant one-off or unusual transactions.

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

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Michael Speight

[Michael Speight \(Dec 3, 2025 14:52:02 GMT\)](#)

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

Date: 03/12/2025

Statement of Financial Activities

(incorporating the summary income and expenditure account)

Year ended 31st March 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies		306,286	-	306,286	342,095
Charitable activities	2,8	33,213,124	358,525	33,571,650	33,116,023
Other trading activities	3	6,050	-	6,050	10,750
Investment income	4	237,033	-	237,033	200,986
Other income	5	90,908	-	90,908	30,528
Total income		33,853,401	358,525	34,211,927	33,700,382
Expenditure on:					
Charitable activities	7, 8, 10	34,280,587	390,596	34,671,183	33,762,908
Total expenditure		34,280,587	390,596	34,671,183	33,762,908
Net (expenditure) before gains/(losses)		(427,186)	(32,070)	(459,256)	(62,526)
Net movement in funds		(427,186)	(32,070)	(459,256)	(62,526)
Total funds brought forward		15,812,377	681,838	16,494,215	16,556,741
Total funds carried forward	19	15,385,192	649,768	16,034,960	16,494,215

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

Balance Sheet as at 31st March 2025

	Note	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	13		7,452,589		8,002,850
Investments: cash and cash equivalents			<u>5,540,216</u>		<u>5,212,146</u>
			<u>12,992,804</u>		<u>13,214,996</u>
Current assets					
Debtors	14	3,738,319		3,236,913	
Cash at bank and in hand		<u>2,584,412</u>		<u>3,351,755</u>	
		<u>6,322,731</u>		<u>6,588,668</u>	
Creditors: amounts falling due within one year	15	<u>(3,280,575)</u>		<u>(3,309,449)</u>	
Net current assets			<u>3,042,156</u>		<u>3,279,219</u>
Total assets less current liabilities			<u>16,034,960</u>		<u>16,494,215</u>
Total net assets			<u>16,034,960</u>		<u>16,494,216</u>
Funds of the charity:					
Unrestricted funds	17, 19		15,385,192		15,812,377
Restricted funds	17, 19, 21		649,768		681,838
Total funds	21		<u>16,034,960</u>		<u>16,494,215</u>

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 03/12/2025..... and signed on its behalf by:



Professor Mike Thomas
Chair of Trustees

Date of signing:

Statement of Cash Flows as at 31st March 2025

	2025 £	2024 £
Reconciliation of net (expenditure) to net cash flow from operating activities:		
Net (expenditure)	(459,256)	(62,526)
Adjustments for:		
Depreciation of tangible fixed assets	244,057	268,567
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	(237,033)	(200,986)
(Profit) on sale of fixed assets	(70,874)	(550)
(Increase)/decrease in debtors	(501,406)	280,083
(Decrease) in creditors	(28,874)	(272,025)
Net cash inflow from operating activities	<u>(1,053,386)</u>	<u>12,563</u>
 Net cash (used in)/provided by operating activities	 (1,053,386)	 12,563
Investing activities		
Dividends, interest and rents from investments	237,033	200,986
Proceeds on sales of property, plant and equipment	879,898	31,751
Purchase of property, plant and equipment	(502,819)	(109,353)
(Purchase of)/proceeds from sale of investments	(328,070)	1,396,437
Net cash provided by investing activities	<u>286,042</u>	<u>1,532,384</u>
 Change in cash and cash equivalents in the reporting period	 <u>(767,344)</u>	 <u>1,532,384</u>
 Cash and cash equivalents at the beginning of the reporting period	 3,351,755	 1,819,371
Cash and cash equivalents at the end of the reporting period	<u>2,584,412</u>	<u>3,351,755</u>

Making Space

Notes to the Financial Statements as at 31st March 2025

1 ACCOUNTING POLICIES

Company status

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

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

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

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

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

Incoming resources

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

Grants, rents and service charges receivable

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

Notes to the Financial Statements as at 31st March 2025

Donations

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

Investment income

Investment income is accounted for when receivable.

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

Investments consist of cash held on deposit for periods of twelve months. As a matter of policy the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organizational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Notes to the Financial Statements as at 31st March 2025

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts.

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds which have been put aside at the discretion of the Trustees.

Tangible fixed assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation. Repairs and maintenance are charged to the SOFA during the period in which they are incurred

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

a) Defined benefit scheme

Making Space has employees in three defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

b) Defined contribution scheme

Making Space contributes to four group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Notes to the Financial Statements as at 31st March 2025

Stocks

Stocks are no longer valued due to the low value of stocks held.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

Notes to the Financial Statements as at 31st March 2025

2) INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Residential homes and independent hospitals	10,436,483	-	10,436,483
Social inclusion/day services Improve access to psychological therapies	669,820	-	669,820
Carer support services including carer breaks	453,559	-	453,559
Community based dementia support	957,184	358,525	1,315,709
Supported housing	319,014	-	319,014
Extra care	15,139,228	-	15,139,228
	5,237,837	-	5,237,837
	<u>33,213,124</u>	<u>358,525</u>	<u>33,571,650</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Residential homes and independent hospitals	10,162,284	-	10,162,284
Social inclusion/day services Improve access to psychological therapies	743,116	-	743,116
Carer support services including carer breaks	391,140	-	391,140
Community based dementia support	1,436,578	46,818	1,483,396
Supported housing	491,167	-	491,167
Extra care	14,741,959	-	14,741,959
	5,102,960	-	5,102,960
	<u>33,069,205</u>	<u>46,818</u>	<u>33,116,023</u>

3) INCOME FROM TRADING ACTIVITIES

	2025 £	2024 £
Rental income	6,050	10,750
	<u>6,050</u>	<u>10,750</u>

4) INCOME FROM INVESTMENTS

	2025 £	2024 £
Interest received	237,033	200,986
	<u>237,033</u>	<u>200,986</u>

Notes to the Financial Statements as at 31st March 2025

5) OTHER INCOMING RESOURCES

	2025	2024
	£	£
Gains on disposal of tangible fixed assets	70,874	550
Sales of goods	16,066	6,956
Miscellaneous income	3,968	23,022
	<u>90,908</u>	<u>30,528</u>

6) GOVERNMENT GRANTS

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

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Support costs	Governance costs	Total 2025
	£	£	£	£
Head office	-	4,007,890	-	4,007,890
Governance	-	-	112,600	112,600
Residential homes and independent hospitals	10,145,028	-	-	10,145,028
Social inclusion/day services	676,729	-	-	676,729
Improve access to psychological therapies	377,780	-	-	377,780
Carer support services including carer breaks	1,375,874	-	-	1,375,874
Community based dementia support	280,201	-	-	280,201
Supported housing	12,809,874	-	-	12,809,874
Extra care	4,885,207	-	-	4,885,207
	<u>30,550,692</u>	<u>4,007,890</u>	112,600	<u>34,671,183</u>
Unrestricted funds	30,160,097	4,007,890	112,600	34,280,587
Restricted funds	390,596	-	-	390,596
	<u>30,550,692</u>	<u>4,007,890</u>	112,600	<u>34,671,183</u>

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

Notes to the Financial Statements as at 31st March 2025

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Unrestricted funds	30,270,261	3,298,244	91,863	33,660,368
Restricted funds	102,540	-	-	102,540
	30,372,801	3,298,244	91,863	33,762,908

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

	Income	Costs	Net cost funded from other income
	2025	2025	2025
	£	£	£
Head office	-	4,007,890	(4,007,890)
Governance	-	112,600	(112,600)
Residential homes and independent hospitals	10,436,483	10,145,028	291,455
Social inclusion/day services	669,820	676,729	(6,909)
Improve access to psychological therapies	453,559	377,780	75,779
Carer support services including carer breaks	1,315,709	1,375,874	(60,164)
Community based dementia support	319,014	280,201	38,813
Supported housing	15,139,228	12,809,874	2,329,354
Extra care	5,237,837	4,885,207	352,630
	33,571,650	34,671,183	(1,099,533)

	Income	Costs	Net cost funded from other income
	2024	2024	2024
	£	£	£
Head office	-	3,298,244	(3,298,244)
Governance	-	91,863	(91,863)
Residential homes and independent hospitals	10,162,284	9,987,419	174,865
Social inclusion/day services	743,116	686,240	56,876
Improve access to psychological therapies	391,140	355,293	35,846
Carer support services including carer breaks	1,483,396	1,505,809	(22,413)
Community based dementia support	491,167	502,938	(11,771)
Supported housing	14,741,959	12,468,326	2,273,633
Extra care	5,102,960	4,866,775	236,185
	33,116,023	33,762,908	(646,885)

Notes to the Financial Statements as at 31st March 2025

9) ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs
	2025	2025	2025
	£	£	£
Chief Executive	244,242	-	244,242
Business Services	215,484	-	215,484
Finance	535,604	-	535,604
Development	315,496	-	315,496
IT	684,251	-	684,251
Human Resources	669,469	-	669,469
Marketing	289,663	-	289,663
Quality assurance	289,626	-	289,626
Central management	289,209	-	289,209
Membership, Voluntary and User Inclusion	164,017	-	164,017
Other	310,830	-	310,830
Audit fees	-	57,305	57,305
Trustee costs	-	54,295	54,295
Trustee indemnity insurance	-	1,000	1,000
	4,007,890	112,600	4,120,490

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

Notes to the Financial Statements as at 31st March 2025

10) ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs 2025 £	Other 2025 £	Depreciation 2025 £	Total 2025 £
Charitable expenditure				
Direct charitable expenditure	25,200,383	9,114,143	244,057	34,558,582
Governance costs	10,125	102,476	-	112,600
Total resources expended	25,210,508	9,216,618	244,057	34,671,183

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

11) NET (OUTGOING) RESOURCES

	2025 £	2024 £
Net (outgoing) resources for the year are stated after charging/(crediting):		
Rentals under operating leases	169,004	182,218
Depreciation of tangible fixed assets – owned	244,057	268,567
(Surplus) on disposal of fixed assets	(70,874)	(550)
Auditor's remuneration for the audit of the Charity's annual accounts	57,305	50,300

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES

Staff costs comprise:	2025 £	2024 £
Wages and salaries	20,898,834	19,655,389
Agency costs	2,041,080	2,650,140
Social security costs	1,725,313	1,512,527
Pension costs	519,259	528,710
Termination and redundancy costs	26,022	42,624
	25,210,508	24,389,390

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

	Actual employees	
	2025 No.	2024 No.
Management	12	23
Administration	25	24
Operational	947	963
	984	1,010

Notes to the Financial Statements as at 31st March 2025

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES (CONTINUED)

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

	2025 No.	2024 No.
£60,000 to £70,000	4	1
£70,000 to £80,000	4	4
£80,000 to £90,000	2	-
£90,000 to £100,000	-	1
£100,000 to £110,000	-	1
£110,000 to £120,000	1	1
£120,000 to £130,000	1	-
£130,000 to £140,000	1	1
£140,000 to £150,000	1	-
	14	9

Retirement benefits are accruing under a defined contribution scheme for these fourteen employees (2024: nine). Total contributions paid in the year for the six employees was £101,804 (2024: £51,294).

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

TERMINATION AND REDUNDANCY COSTS

£26,022 (2024: £42,624) was been paid in redundancy costs due to a restructure and contracts being downsized or ended.

TRUSTEE EXPENSES AND REMUNERATION

Professional indemnity insurance has been taken out on behalf of trustees at a cost of £1,000 (2024: £1,000).

The secretarial and administrative cost of the Board of Trustees was £44,295 (2024: £30,563) for the eleven trustees who served in 2025 (2024: nine). Within this total an amount of £767 (2024: £824) was paid to trustees as expenses.

Remuneration of £10,000 (2024: £10,000) was paid to one (2024: one) trustee during the year.

KEY MANAGEMENT COSTS

Key management personnel for the charity is made made up of a paid chair plus unpaid trustees and the five-strong executive management team. In addition these key management costs also include senior service managers.

The total employee benefits of the executive management team was £775,818 (2024: £488,505). The increase in costs reflects a reshaping of the executive management team from 4 to 5 members and an overlap of postholders during the recruitment phase to this new structure.

Notes to the Financial Statements as at 31st March 2025

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

a) Other fixed assets

	Assets under construction	Freehold land and buildings	Long leasehold property	Fixtures and equipment	Motor vehicles	Total tangible assets
Cost	£	£	£	£	£	£
At 1 April 2024	424,025	8,768,097	2,353,109	295,176	73,902	11,914,308
Additions	132,856	339,369	-	-	30,594	502,819
Disposals	-	(901,361)	-	-	(14,280)	(915,641)
At 31 March 2025	556,881	8,206,105	2,353,109	295,176	90,216	11,501,486
Depreciation						
At 1 April 2024	-	1,845,605	1,809,005	213,522	43,325	3,911,457
Additions	-	155,237	23,186	45,629	20,004	244,057
Released on disposals	-	(92,337)	-	-	(14,280)	(106,617)
At 31 March 2025	-	1,908,505	1,832,191	259,152	49,050	4,048,897
Net book value						
As at 31 March 2025	556,881	6,297,600	520,918	36,025	41,166	7,452,589
As at 31 March 2024	424,025	6,922,491	544,104	81,654	30,576	8,002,851

Freehold land and buildings include a specific property with a net book value of £614,473 (2024: £637,742). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

Long leasehold include a specific property with a net book value of £Nil (2024: £Nil). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

14) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	2,316,558	1,913,097
Other debtors	38,618	39,373
Prepayments and accrued income	1,383,142	1,284,443
	<u>3,738,319</u>	<u>3,236,913</u>

Notes to the Financial Statements as at 31st March 2025

15) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	449,654	264,857
Other creditors	535,886	679,202
Accruals	620,627	659,007
Deferred income	1,157,313	1,241,504
Taxation and social security	517,095	464,879
	3,280,575	3,309,449

16) DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2025	2024
	£	£
Balance at 1 April	1,241,504	1,355,668
Fees deferred in the year	1,157,313	1,241,504
Fees released from previous years	(1,241,504)	(1,355,668)
Balance at 31 March	1,157,313	1,241,504

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

17) ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
Tangible fixed assets	6,838,115	614,473	7,452,589
Investments: Cash and cash equivalents	-	-	-
Stocks and debtors	3,738,319	-	3,738,319
Cash at bank	7,784,726	339,901	8,124,627
Current liabilities	(2,975,969)	(304,606)	(3,280,575)
Pension liability	-	-	-
	15,385,192	649,768	16,034,960

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
Tangible fixed assets	7,365,108	637,742	8,002,850
Investments: Cash and cash equivalents	5,212,146	-	5,212,146
Stocks and debtors	3,236,913	-	3,236,913
Cash at bank	3,307,659	44,096	3,351,755
Current liabilities	(3,309,449)	-	(3,309,449)
Pension liability	-	-	-
	15,812,378	681,838	16,494,216

18) TRUSTEES

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

The liability of each trustee is limited to £1 (2024: £1).

Eleven people served as trustees in year (2024: nine).

Notes to the Financial Statements as at 31st March 2025

19) STATEMENT OF FUNDS

	As at 1 April 2024	Income	Expenditure	Transfer	Balance as at 31 March 2025
	£	£	£	£	£
Unrestricted funds					
General funds	10,212,645	33,853,401	(34,280,587)	(7,552)	9,777,908
Designated funds	17,341	-	-	(147,912)	(130,571)
Operating cost reserve	5,582,391	-	-	155,464	5,737,854
Total unrestricted funds	15,812,377	33,853,401	(34,280,587)	-	15,385,192
Restricted funds					
Land and buildings	637,742	-	(23,269)	-	614,473
Revenue grants	44,096	358,525	(367,327)	-	35,295
Total restricted funds	681,838	358,525	(390,596)	-	649,768
Total funds	16,494,215	34,211,927	(34,671,183)	-	16,034,960
	As at 1 April 2023	Income	Expenditure	Transfer	Balance as at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General funds	10,404,194	33,653,564	(33,660,368)	(184,745)	10,212,645
Designated funds	71,172	-	-	(53,831)	17,341
Operating cost reserve	5,343,815	-	-	238,576	5,582,391
Total unrestricted funds	15,819,181	33,653,564	(33,660,368)	-	15,812,377
Restricted funds					
Land and buildings	685,486	-	(47,744)	-	637,742
Revenue grants	52,074	46,818	(54,796)	-	44,096
Total restricted funds	737,560	46,818	(102,540)	-	681,838
Total funds	16,556,741	33,700,382	(33,762,908)	-	16,494,215

The designated fund pertains to sinking funds allocated for covering building related expenses at owned properties. During the year, several projects were undertaken, resulting in a transition from a surplus to a deficit position. This deficit will be addressed through scheduled contributions over subsequent years. Such an approach enables the distribution of building related costs across the property's useful life, ensuring a more balanced financial impact.

20) COMMITMENTS

UNDER OPERATING LEASES

As at 31 March 2025 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2025	2024
	£	£
Operating lease commitments which are owed:		
Within one year	61,636	164,038
In two to five years	53,563	64,099
After five years	-	-
	115,199	228,137

PENSION

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

Notes to the Financial Statements as at 31st March 2025

21) RESTRICTED FUNDS

	Balance 1 April 2024	Income 2025	Expenditure 2025	Balance 31 March 2025
	£	£	£	£
Ashwood Court Building	494,458	-	(23,269)	471,189
Ashwood Court Land	143,284	-	-	143,284
Kingshill Building	-	-	-	-
CSW Bolton	38,680	47,754	(51,139)	35,295
Bradford Carer Breaks	275	-	(275)	-
Bradford Carer Training	5,142	-	(5,142)	-
Cheshire & Doncaster Carer Funds	-	310,771	(310,771)	-
	681,838	358,525	(390,596)	649,768

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

Kingshill Building relates to the dwelling for the use as residential home.

Bolton CSW is money paid for delivering support to carers.

Bradford Carer Breaks is money paid to deliver breaks to carers.

Bradford Carer Training is money paid to deliver training to carers.

Cheshire & Doncaster Carer Funds are paid to support carers.

	Balance 1 April 2023	Income 2024	Expenditure 2024	Balance 31 March 2024
	£	£	£	£
Ashwood Court Building	517,726	-	(23,269)	494,458
Ashwood Court Land	143,284	-	-	143,284
Kingshill Building	24,475	-	(24,475)	-
CSW Bolton	46,658	46,818	(54,796)	38,680
Bradford Carer Breaks	275	-	-	275
Bradford Carer Training	5,142	-	-	5,142
	737,560	46,818	(102,540)	681,838

22) FINANCIAL INSTRUMENTS

	2025	2024
	£	£
FINANCIAL ASSETS		
Cash	2,584,412	3,351,755
Investments	5,540,216	5,212,146
Trade debtors	2,316,558	1,913,097
Other debtors	38,618	39,373
Accrued income	604,592	675,396
	11,084,396	11,191,767

	2025	2024
	£	£
FINANCIAL LIABILITIES		
Trade creditors	449,654	264,857
Other creditors	535,886	679,202
Accruals	620,627	659,007
	1,606,167	1,603,066

Notes to the Financial Statements as at 31st March 2025

23) RECONCILIATION OF NET DEBT

Reconciliation of net cash flow to movement in net debt

	At 1 April 2024	Cash flows	Other changes	At 31 March 2025
	£	£	£	£
Cash and cash equivalents	3,351,755	(767,344)	-	2,584,412

24) RELATED PARTY TRANSACTIONS

The Charity commission and membership approved a change to Making Space's governing document which allow a payment of up to £10,000 per year to the Chair. The Chair received a payment of £10,000 (2024: £10,000) this year.

During the year to 31 March 2025, two trustees received reimbursed expenses totalling £777.

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

25) POST BALANCE SHEET EVENTS

There are no post balance sheet events.

26) MONEY HELD ON TRUST

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £58,315 (2024: £57,596).

MAKING SPACE

England & Wales - Charity number 512907

Accounts



making space

Kind hearted care and support

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

Company Registration No: 01642033

Registered Charity No: 512907

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Chair's welcome

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

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

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

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

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

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

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

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



Professor Mike Thomas
Chair of Trustees

Charity object and public benefit

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

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

Our vision and mission

OUR VISION

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



OUR MISSION

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



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

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



Our values in action

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



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



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



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



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



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

Our services

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

Here's a selection of what we offer:

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

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

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

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

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

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

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



Case study - Recovery Point, Stockport

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

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

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

Strategic Plan 2023/24

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

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

Strategic drivers

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

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

Measuring success

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

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

Looking ahead: our strategy for the next five years

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

Co-production

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

Our people

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

Sustainable future

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

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



People we support

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

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

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

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

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

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

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

Achieving our goals and key deliverables during 2023-24

Launching our strategic plan 2024-29

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

Implement a new corporate website

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

Agree an environmental action plan

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

Strengthen our data collection to improve oversight on service performance

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

Develop and implement a new Dementia Strategy

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

Develop and implement a new Volunteer Strategy

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

Develop and implement an enhanced quality governance and audit framework

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

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

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

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

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

Implement a new Board Assurance Framework

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

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

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

Key performance indicators

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

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

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

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

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

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

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

Financial review

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

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

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

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

Reserves and going concern

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

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

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

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

Designated Fixed Assets

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

Operational cost reserve

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

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

Planned maintenance

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

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

Asset purchase

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

Investment reserve

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

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

Investments

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

Fundraising practices

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

How our donations are spent

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



How our donations are spent

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



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

Risk management

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

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

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

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

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

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

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

Energy and carbon reporting

We recognise the challenges presented by climate change and the responsibility we have to reduce the impact Making Space has on the environment. We are committed to reducing our energy and fuel use as well as waste.

Carbon footprint (greenhouse gas emissions)

Type of emission	Activity	2023/24
		tCO2E
Direct (Scope 1)	Gas	367
Energy Indirect (Scope 2)	Electricity	0

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

Assessment parameters

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

Our plans for 2024/25

We will:

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

Administrative details

Making Space is a charity (registered charity number 512907), and a company limited by guarantee (company registration number 01642033).

Registered office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as trustees during the reporting period, and up to the date of signing:

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

Chief Officers of Making Space

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

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

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

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

Structure, governance and management

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

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

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

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

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

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

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

Employee engagement

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

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



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

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

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

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

Positive about disability

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

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

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



Qualifying indemnity provisions

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

Related parties and co-production with other organisations

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

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

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

Cash held on trust

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

Statement of Compliance with Section 172 (1) Companies Act 2006

The board of trustees of Making Space consider that both individually and together for the year ended 31 March 2024 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s.172 (1) (a) to (f) as below:

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

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

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

b) The interests of the charity's employees:

The trustees affirm that the charity cannot function without the goodwill, hard work and dedication of its employees. They know that the key to maintaining this relationship lies in ensuring that the employee's interests align with those of the charity. The charity regularly seeks the views of its staff. Regular updates on company news and performance are shared with all employees.

The charity also carries out frequent benchmarking exercises where it measures itself against other employers to ensure that it continues to be seen as an employer of choice by prospective candidates. These assignments examine the salaries and other benefits offered by competitors in the same or similar employment markets. Making Space is committed to at least paying the real living wage.

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

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

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

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

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

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

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

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

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

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

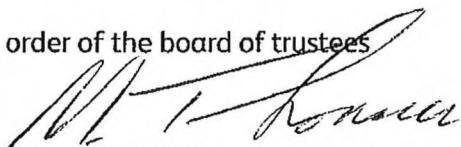
Statement as to disclosure of information to auditors

Insofar as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware
- The trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This annual report is signed by the chair on behalf of the board of trustees. The trustees also approve the strategic report, which is contained within this report, in their capacity as company directors.

By order of the board of trustees



Professor Mike Thomas
Chair of Trustees

Date: 05 December 2024

Statement of Trustees' responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

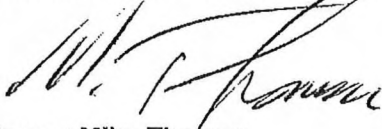
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Professor Mike Thomas

Chair of Trustees

Date: 05 December 2024

Independent auditor's report to the members of Making Space

Opinion

We have audited the financial statements of Making Space (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report which includes the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report which includes the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any

audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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



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

Date: 10 December 2024

Statement of Financial Activities

(incorporating the summary income and expenditure account)

Year ended 31st March 2024


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

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

Balance Sheet as at 31st March 2024

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

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 05 December 2024 and signed on its behalf by:



Professor Mike Thomas
Chair of Trustees

Date of signing: 05 December 2024

Statement of Cash Flows as at 31st March 2024

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

Making Space

Notes to the Financial Statements as at 31st March 2024

1 ACCOUNTING POLICIES

Company status

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

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

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

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

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

Incoming resources

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

Grants, rents and service charges receivable

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

Notes to the Financial Statements as at 31st March 2024

Donations

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

Investment income

Investment income is accounted for when receivable.

Cash and cash equivalents

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

Investments

Investments consist of cash held on deposit for periods of twelve months. As a matter of policy the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organizational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Notes to the Financial Statements as at 31st March 2024

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts.

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds which have been put aside at the discretion of the Trustees.

Tangible fixed assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation. Repairs and maintenance are charged to the SOFA during the period in which they are incurred

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

a) Defined benefit scheme

Making Space has employees in three defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

b) Defined contribution scheme

Making Space contributes to four group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Notes to the Financial Statements as at 31st March 2024

Stocks

Stocks are no longer valued due to the low value of stocks held.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

Notes to the Financial Statements as at 31st March 2024

2) INCOME FROM CHARITABLE ACTIVITIES

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

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

3) INCOME FROM TRADING ACTIVITIES

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

4) INCOME FROM INVESTMENTS

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

Notes to the Financial Statements as at 31st March 2024

5) OTHER INCOMING RESOURCES

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

6) GOVERNMENT GRANTS

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

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

Notes to the Financial Statements as at 31st March 2024

7) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

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

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

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

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

Notes to the Financial Statements as at 31st March 2024

9) ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

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

Notes to the Financial Statements as at 31st March 2024

10) ANALYSIS OF TOTAL RESOURCES EXPENDED

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

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

11) NET INCOMING/(OUTGOING) RESOURCES

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

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES

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

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

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

Notes to the Financial Statements as at 31st March 2024

12) INFORMATION REGARDING EMPLOYEES AND TRUSTEES (CONTINUED)

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

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

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

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

There are also defined benefit pension schemes which are disclosed in Note 24.

TERMINATION AND REDUNDANCY COSTS

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

TRUSTEE EXPENSES

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

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

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

KEY MANAGEMENT COSTS

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

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

Notes to the Financial Statements as at 31st March 2024

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

a) Other fixed assets

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

Freehold land and buildings include a specific property with a net book value of £637,742 (2023: £661,011). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

Long leasehold include a specific property with a net book value of £Nil (2023: £24,475). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

14) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

Notes to the Financial Statements as at 31st March 2024

15) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

16) DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

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

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

17) ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

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

18) TRUSTEES

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

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

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

Notes to the Financial Statements as at 31st March 2024

19) STATEMENT OF FUNDS

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

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

20) COMMITMENTS

UNDER OPERATING LEASES

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

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

PENSION

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

Notes to the Financial Statements as at 31st March 2024

21) RESTRICTED FUNDS

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

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

Kingshill Building relates to the dwelling for the use as residential home.

Bolton CSW is money paid for delivering support to carers.

Bradford Carer Breaks is money paid to deliver breaks to carers.

Bradford Carer Training is money paid to deliver training to carers.

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

22) FINANCIAL INSTRUMENTS

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

Notes to the Financial Statements as at 31st March 2024

RECONCILIATION OF NET DEBT

Reconciliation of net cash flow to movement in net debt

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

23) RETIREMENT BENEFIT SCHEMES

Making Space operates four defined contribution personal pension schemes for employees. The assets of these schemes are held separately from those of the Charity in funds under the control of trustees. Contributions to the schemes are charged to the statement of financial activities when payable. The pension cost charge for the year in relation to these schemes amounted to £551,386 (2023: £512,001).

24) RELATED PARTY TRANSACTIONS

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

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

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

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

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

25) POST BALANCE SHEET EVENTS

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

26) MONEY HELD ON TRUST

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £57,596 (2023: £56,989).

MAKING SPACE

England & Wales - Charity number 512907

Accounts



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

Annual Report & Financial Statements

For the year ended 31st March 2023

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

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Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Chair's Welcome

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

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

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

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

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

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

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

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

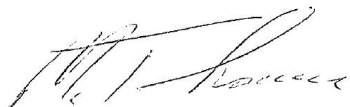
The production of an annual report and financial statements means our Finance department has undertaken a huge amount of work for our audit conducted by Mazars. On behalf of the Board, I would like to thank everyone involved for all their hard work in the preparation of our annual report and financial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

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

Trustees' Annual Report Incorporating the Directors' and Strategic Report

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

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



Professor Mike Thomas
Chair of Trustees

7th December 2023

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Charity Objects and Public Benefit

The objects of the Charity are the relief of people who are in need by reason of any physical or mental illness or disability arising from age, accident, disease or infection, including but without limitation learning disabilities and dementia and the relief of their families and carers.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Activities for 2022-23 continue to deliver public benefit by supporting individuals, their families and carers when facing the challenges associated with physical or mental illness or disability, learning disability and dementia.

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

- Everyone matters and deserves a chance
- Everyone has a voice which is worth listening to
- Anyone can be affected by poor health
- Poor health should not be a barrier to finding joy and purpose in life
- Support should be there for anyone who wants it
- Support should be there at the point, and in the form, that it is needed
- We can and do improve and change lives
- There is so much more still to do.

Our values determine who we are, how we live our lives, how we treat people and every decision that we make. It is important for us as a health and social care provider to have the right values. It is even more important to have a workforce that shares these values. We have 5 co-produced values that represent what we stand for. Each value has a clearly defined list of behaviours that help us to translate them into day-to-day actions.

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

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

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

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

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

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

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Having Courage: Committing bravely to working in ways that take us to new places

- We believe in doing the right thing
- We take action and speak up to make positive change
- We try new things
- We take managed risks together
- We accept and learn from our mistakes

Being Ready: Responding to whatever comes our way by moving forward together

- We anticipate change
- We use our knowledge and insight to plan ahead
- We nurture trust through authentic, honest communication
- We build collaborative relationships
- We never stop learning

Our services

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

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

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

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

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

Source: *Think Local Act Personal (TLAP)*

Making Space operates across England and all services are supported by corporate services based in a head office, based in Warrington, in the heart of the North West of England. We are arranged into three divisions, all led by a team of dedicated Regional Head of Operations, experienced in managing health and social care provision in either regulated services; supported living; or community based services.

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The majority of our provision is in the North of England with a growing presence and portfolio across the Midlands area. Each directorate delivers services across our continuum of support that is based in the local community, in people's homes and specialised support.

We are commissioned by Local Authorities and the NHS to provide services that meet the principles of the Care Act 2014, which is built upon reviews and reforms to provide a coherent approach to adult social care in England.

Strategic Review

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

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

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

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

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

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

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People we support

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

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

Strategies for achieving Aims & Objectives and Key Performance Measures

Key deliverables for the year to 31 March 2023 were:

- **Increase the voice and visibility of the people we support into the governance of the organisation.**

During the year, Making Space maintained the commitment to involve people we support in staff recruitment, with 44% of posts having some form of user involvement and engagement. As part of our response to the Care Quality Commission's regulatory requirement to have a Service User Guide in place across registered services, a new guide and information handbook was co-produced and designed for use across Making Space. Additional support was provided to Making Change group members and volunteers throughout the COVID-19 period with positive feedback around online events and meetings.

- **Implement a phased digital support and care plan platform across specialist, residential and community based services.**

Following a comprehensive assessment of the market place, Nourish, an experienced provider of digital care plans was contracted to support the roll out of a project implementation plan. This is a key element of the Shine project, to enhance digital capabilities across the organisation and enhance the opportunities afforded through innovation and technology.

- **We will complete the Trusted Charity Level One self-assessment and accreditation process.**

Following changes to the National Council for Voluntary Organisations, the Trusted Charity programme was temporarily suspended pending the identification of a new provider. Making Space have commissioned a governance review from an alternative external provider.

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- **We will review safeguarding and quality assurance processes in light of emerging regulatory changes and regulations.**

The Quality Assurance Team reviewed all safeguarding and quality assurance processes, which resulted in improving online guidance and reporting processes. In addition a quality audit framework and regional dashboard has been introduced to give an overview of service performance on a quarterly basis.

- **Update our workforce reward and recognition strategy.**

This year we have been updating our reward and recognition strategy. We have increased the allowance for our cycle to work scheme and we have also introduced a car maintenance scheme. In January we launched Wagestream, a financial wellbeing initiative that helps colleagues to: track their pay in real time, stream 30% of earned wages when they need it, save money and access advice on managing money. So far, 22% of our employees have signed up to Wagestream, and we plan to increase this engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and have also introduced a life assurance benefit from the start of April 2022.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards, Markel 3rd Sector Awards and Great British Care Awards and have 27 colleagues reaching the national and regional finals.

- **Develop a new suite of key performance indicators which support the new strategic plan.**

We have now developed and agreed our key performance indicators for the coming year. These KPIs support our new strategic plan and are summarised below.

Key Performance Indicators

Performance against our Key Performance Indicators for 2022-2023 is summarised below:

KPI	Benchmark	Target	Actual	Narrative
1. Increase our digital ability to measure our impact and outcomes for the people we support.	% of services with electronic care plans in place against implementation target.	90% and above.	85%	Nourish implementation has been completed. Work remains ongoing to fully embed the system to Making Space requirements.
2. Provide high quality care for the people who use our services.	CQC compliance in top quartile % of services rated as good or above.	90% and above.	90%	There are 20 CQC registered services. Of these one is rated as 'Inadequate', and one as 'Requires Improvement', the other 18 are rated as 'good'.
3. Ensure services are delivered in accordance with agreed performance and quality levels.	Service utilisation compared to contract requirements and actual hours delivered verses planned delivery hours.	80% and above.	100%	During this year we have improved our performance monitoring and data collection to enable us to more effectively monitor our delivery and performance.

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

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

When agreeing KPIs with the Executive Management Team, Trustees look to set targets, which improve performance by benchmarking against industry average information and by looking for continuous improvement. Initially service user outcomes and Care Quality Commission compliance were benchmarked against industry averages. However, Making Space now look for continuous improvement in this area as performance is well above industry averages. Employee-related KPIs are benchmarked against care sector average information mainly derived from Skills for Care.

Financial Review

Despite the pressures associated with coming out of the COVID-19 pandemic across the charity, financial and otherwise, we continued to deliver on our Strategic Plan 2020-2024 by investing in our people and care-improving technology. In year we continued our commitment to at least pay the Real Living Wage.

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

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

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

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

Reserves and Going Concern

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. Our reserves policy at the time of last year's report was to maintain an emergency operating reserve as a cash balance of two months expenditure which equalled £5,323,042. Our policy was to invest any free reserves over the emergency operating reserves into new services.

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

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

Our balance of cash and short-term investments as at 31 March 2023 was £8,427,953. As of this date the two month emergency operating reserve was £5,343,814. Under last year's reserves policy £3,084,139 would have therefore been free to invest in new services. As stated above only a maximum of £1,500,000 will be spent on purchasing new property until there is a clearer picture of how inflation is going to impact our finances. The planned maintenance reserve currently stands at £71,172. The £3,084,139 of available reserves therefore need to be reduced by the possible £1,500,000 investment together with the planned maintenance reserve of £71,172 giving excess reserves £1,512,967. Prudence dictates that any plans to spend these are put on hold until a budget for 2024-25 and forecasts for future years are thoroughly reviewed and agreed.

An updated reserves policy will be agreed in 2023-24 which takes account of financial challenges facing the social care sector.

Investments

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk-averse policy to invest in cash with a number of credit-referenced UK registered banks.

Interest rate quotes are sought from credit-referenced banks each time cash is placed on deposit to meet the objective of maximising interest received from this limited number of banks.

Subsidiaries

Footsteps 2000 Ltd became Making Space's first subsidiary on 1st April 2021. Footsteps 2000 Ltd made a deficit of £7,103 on income of £120,119 in the year to 31st March 2023. Footsteps has a bank balance of £40,826 with a net assets balance of £10,478.

Making Space has not produced consolidated accounts due to the comparatively immaterial size of the finance of Footsteps 2000 Ltd.

Fundraising Practices

Making Space employs a Fundraising Manager and a Fundraising Coordinator. Both of these employees are given delegated authority to make grant applications on the charity's behalf and to promote public appeals, events and challenges. Our employed fundraisers also encourage other Making Space employees, volunteers and supporters to raise funds for the charity. We do not engage a professional fundraiser or a fundraising agency.

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

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

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

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

Risk Management

The Trustees are responsible for the management of risks faced by Making Space, working to an established risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks faced, prioritising risks in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

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

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

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

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

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

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

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

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

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

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

Energy and Carbon Reporting

Making Space recognises the challenges presented by climate change and the responsibility it has in reducing the negative impact the charity has on the environment. We are committed to reducing our energy and fuel use as well as waste.

Carbon Footprint (Greenhouse gas emissions)

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

Assessment parameters

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

Our Plans for 2023-24

We will:

- Launch our strategic plan 2024-2027
- Implement a new corporate website
- Agree an environmental action plan
- Strengthen our data collection to improve oversight on service performance
- Develop and implement a new Dementia Strategy
- Develop and Implement a new Volunteer Strategy
- Develop and implement an enhanced quality governance and audit framework
- Review our service offer for Learning Disability, Mental Health and Older People
- Benchmark Making Space service costs against industry standards so as to ensure a value for money offer to Commissioners.
- Implement a new Board Assurance Framework

Trustees' Annual Report

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Administrative Details

Making Space is a charity (Registered charity number 512907) and a company limited by guarantee (Company Registration number 01642033).

Registered Office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as Trustees during the reporting period, and up to the date of signing:

A Teague	Appointed 25 th September 2014 - Resigned 23 rd June 2022
A Broadhurst	Appointed 25 th September 2014
E Johnstone	Appointed 22 nd June 2017, Chair between 23 rd June 2022 – 8 th December 2022
N Hormozi	Appointed 6 th November 2019
S Humphreys	Appointed 6 th November 2019 - Resigned 10 May 2022
M Jenkinson	Appointed 6 th November 2019
K Porceddu	Appointed 6 th November 2019 - Resigned 8 th December 2022
K Wykes	Appointed 18 th November 2021
W Bonnefin	Appointed 19 th November 2021 - Resigned 24 August 2022
M Thomas	Chair – Appointed 8 th December 2022

Co-opted Trustees

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

V Ukong	Appointed 23 rd March 2023
T Quinlan	Appointed 23 rd March 2023
V Carvalho	Appointed 22 nd June 2023

Chief Officers of Making Space

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

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Bankers

Lloyds Bank Plc
Town Hill
Warrington
WA1 2LP

Auditor

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

Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Structure, Governance and Management

Making Space is governed by its Memorandum & Articles of Association. It is an incorporated charity registered with the Charity Commission. There is a maximum of 16 Trustee positions on the Board. At the end of the year, 6 posts were filled. Trustees are elected at the Annual General Meeting (AGM) and hold office for 3 years, subject to the terms of the Memorandum & Articles of Association. Trustees can seek re-election for a further term of office up to a maximum of three terms of three years.

The Board has an active desire to recruit additional Trustees and applications or nominations for Trustee positions are received and reviewed by the Board against a skills matrix and role description, in accordance with the Trustee Recruitment Policy and Procedure. Prospective Trustees are interviewed to assess their competency and suitability for a Trustee position before gaining the support of the Board, prior to nomination and approval at the AGM. A comprehensive induction programme is implemented for each new Trustee, which includes visits to services, mentoring from Executive Officers and on-going support from the Chairman and other Board members.

Daily operational running of the organisation is delegated to the Chief Executive and the Senior Leadership Team based at Head Office in Warrington. The Head Office houses the Senior Leadership functions for finance, operations, human resources, and quality. During the year, the Chief Executive and the Senior Leadership Team presented reports regularly to the Board and Hospital Managers Committee and Quality and Assurance Committee on strategic and operational issues relevant to the Board's oversight of the organisation.

For the purposes of the Mental Health Act 1983 (MHA), Making Space is the detaining authority and therefore "Hospital Managers" for patients who may be detained under a section of the Mental Health Act, within our Independent Hospitals. The Board of Trustees as "Hospital Managers" are responsible for all the patients detained in the hospitals including in respect of the duties and powers to discharge patients. The Trustees have the power to appoint experienced "Associate Hospital Managers" to help them undertake their Hospital Manager responsibility.

In addition, the Trustees must ensure the responsibility and commitment of Making Space as the Registered Provider to evidence based care and treatment and quality of patient experience. All new and existing Trustees follow the agreed policies and procedures laid out in the Trustee Handbook. These include policies and procedures for effective induction of new Trustees and a thorough learning and development programme for all Trustees.

Trustee induction includes an introduction to The Charity Commission's Charity Governance Code and the seven pillars of good governance. The Charity Commission Code of Governance is adopted by the charity and Making Space is compliant in all areas. Trustees are introduced to their legal responsibilities by working through The Essential Trustee before getting an understanding of the seven principles of leadership, integrity, decision-making, risk and control, board effectiveness, diversity, openness, and accountability. These principles form the basis of how Making Space is governed and managed. This was assessed in the prior period and there has been no change in the current period. Trustees must complete online mandatory training.

A review of the pay of Chief Officers was undertaken using information from external data resources. The Board of Trustees and the CEO agreed the actual pay placing them within the appropriate range identified by these external resources.

The only Trustee role which it is possible to pay under Making Space's governing documents is that of Chair. The Trustees took the decision in 2014 to start paying for the role of Chair. This decision was taken following legal advice and receiving Charity Commission approval. A remuneration rate of £10,000 per year was agreed following a benchmarking exercise with payments made to the Chairs of similar charities. The Chairs chose to receive payment in the year to 31st March 2023, the amount totalled £7,722.

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Employee Engagement

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

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

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

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

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

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

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

Positive about Disability

We are a Disability Confident Employer Level 1, this means that Making Space is taking action to ensure that people with disabilities and long term health conditions feel supported, engaged and able to fulfil their potential in the workplace.

These steps include offering interviews to all candidates who meet the minimum criteria for the role and being flexible with our recruitment processes. For example, allowing CV applications rather than only application forms where that's a supportive step and supporting flexible working patterns where possible. It also means that we take active steps to make adjustments in the workplace to support colleagues with disabilities. We also provide Equality & Diversity training including Dementia, learning disabilities and Mental Health awareness to our workforce.

Qualifying indemnity provisions

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

Related Parties and Co-production with other Organisations

Footsteps 2000 Ltd which is a carers service specialising in supported the families of those impacted by addiction became a subsidiary of Making Space on 1st April 2021.

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

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

Trustees' Annual Report

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organisational objectives and the services required by commissioning bodies.

Cash held on trust

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

Statement of Compliance with Section 172 (1) Companies Act 2006

The board of Trustees of Making Space consider that both individually and together for the year ended 31st March 2023 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and having regard to the matters set out in s.172 (1) (a) to (f) as below:

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

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

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

- c) The interests of the Charity's employees:

The trustees affirm that the Charity cannot function without the goodwill, hard work and dedication of its employees. They know that the key to maintaining this relationship lies in ensuring that the employee's interests align with those of the Charity. The Charity regularly seeks the views of its staff. Regular updates on company news and performance is shared with all employees.

The Charity also carries out frequent benchmarking exercises where it measures itself against other employers to ensure that it continues to be seen as an employer of choice by prospective candidates. These assignments examine the salaries and other benefits offered by competitors in the same or similar employment markets. Making Space is committed to at least paying the real living wage.

- d) The need to foster the Charity's business relationships with suppliers, customers and others:

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

- e) The impact of the Company's operations on the community and the environment:

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

The Charity also ensures that it complies with best practice where possible to minimise its environmental

Trustees' Annual Report Incorporating the Directors' and Strategic Report

affect in all arenas.

- f) The desirability of the Charity maintaining a reputation for high standards of business conduct

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

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

- g) The need to act fairly between members of the Charity:

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

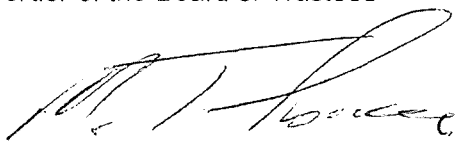
Statement as to disclosure of information to auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware; and
- The Trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approve the Strategic Report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees



Professor Mike Thomas

Chair of Trustees

Date: 7th December 2023

Trustees' Responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

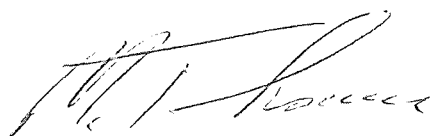
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Professor Mike Thomas

Chair of Trustees

7th December 2023

Independent Auditor's Report to the Members of Making Space

Opinion

We have audited the financial statements of Making Space (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of Making Space

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustee's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Independent Auditor's Report to the Members of Making Space

Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), the classification of income and expenditure, fixed asset depreciation and significant one-off or unusual transactions.

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

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

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

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

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Making Space

Use of the audit report

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


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

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

Date 20-Dec-2023

Statement of Financial Activities

(Incorporating the summary income and expenditure account)

Year ended 31 March 2023

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

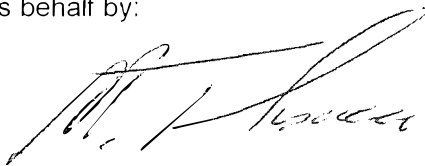
All the above results derive from continuing operations. All gains and losses recognised in the year are included above.

Balance Sheet

As at 31 March 2023

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

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 7 December 2023 and signed on its behalf by:



Professor Mike Thomas

Chair of Trustees

Date of Signing: 7th December 2023

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

Year Ended 31 March 2023

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

Reconciliation of net expenditure to net cash flow from operating activities

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

Analysis of cash and cash equivalents

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

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

1. Accounting Policies

Company status

Making Space is a private company, limited by guarantee, and a charity, registered and incorporated in England & Wales, under the Companies Act and Charity Act. The Trustee Report includes the address of the registered office and the principle activities of the charity.

Basis of Preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

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

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts older than five months as at 31 March 2023 are treated as doubtful debts.

Other key sources of estimation uncertainty include:

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

Incoming resources

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

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

Grants, rents and service charges receivable

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

Donations

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

Investment income

Investment income is accounted for when receivable.

Cash at bank and cash in hand includes cash in the current bank account.

Investments consist of cash held on deposit for periods of twelve months.

As a matter of policy the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

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

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds which have been put aside at the discretion of the Trustees.

Tangible Fixed Assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation. Repairs and maintenance are charged to the SOFA during the period in which they are incurred.

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

a) Defined benefit scheme

Making Space has employees in three defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

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

- b) Making Space contributes to four group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination Policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Stocks

Stocks are no longer valued due to the low value of stocks held.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

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

bodies whether local, national or international.

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

2. INCOME FROM CHARITABLE ACTIVITIES

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

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

3. INCOME FROM OTHER TRADING ACTIVITIES

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

4. INCOME FROM INVESTMENTS

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

5. OTHER INCOMING RESOURCES

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

6. GOVERNMENT GRANTS

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

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

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

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

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

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

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

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

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

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

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

	Staff costs 2022 £	Other 2022 £	Amortisation & Depreciation 2022 £	Total 2022 £
Charitable expenditure				
Direct charitable expenditure	23,553,012	8,311,504	299,708	32,164,224
Governance costs	1,020	72,715	0	73,735
Total resources expended	23,554,032	8,384,219	299,708	32,237,959

11. NET INCOMING/(OUTGOING) RESOURCES

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

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

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

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

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

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

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

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

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There are also defined benefit pension schemes which are disclosed in Note 24.

TERMINATION AND REDUNDANCY COSTS

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

TRUSTEE EXPENSES

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

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

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

KEY MANAGEMENT COSTS

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

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

13. TANGIBLE AND FIXED ASSETS FOR USE BY THE CHARITY

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

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

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

14. STOCKS

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2023	Restated 2022
	£	£
Balance at 1 April	1,971,926	639,738
Fees deferred in the year	1,355,668	1,971,926
Fees released from previous years	<u>(1,971,926)</u>	<u>(639,738)</u>
Balance at 31 March	<u>1,355,668</u>	<u>1,971,926</u>

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Tangible fixed assets	7,507,780	685,486	8,193,266	7,570,794	733,233	8,304,026
Intangible fixed assets	0	0	0	0	0	0
Stock and debtors	3,516,996	0	3,516,996	3,846,573	0	3,846,573
Cash at bank (including short term investments)	8,375,879	52,074	8,427,953	10,712,893	51,576	10,764,469
Current liabilities	(3,581,474)	0	(3,581,474)	(4,991,720)	0	(4,991,720)
Pension liability	0	0	0	0	0	0
	<u>15,819,181</u>	<u>737,560</u>	<u>16,556,741</u>	<u>17,138,539</u>	<u>784,808</u>	<u>17,923,348</u>

19. TRUSTEES

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

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

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

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

20. STATEMENT OF FUNDS

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

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

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

21. COMMITMENTS

UNDER OPERATING LEASES

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

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

PENSIONS

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

22. RESTRICTED FUNDS

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

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

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

Bolton CSW is money paid for delivering support to carers.

Bradford carer breaks is money paid to deliver breaks to carers.

Bradford carer training is money paid to deliver training to carers.

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

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

23. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

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

FINANCIAL LIABILITIES

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

Reconciliation of net debt

Reconciliation to net cash flow to movement in net debt

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

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

24. RETIREMENT BENEFIT SCHEMES

Making Space currently operates seven pension schemes:

- a) Four defined contribution personal pension schemes for employees not eligible to join the defined benefit schemes. The assets of these schemes are held separately from those of the Charity in funds under the control of trustees. Contributions to the schemes are charged to the statement of financial activities when payable. The pension cost charge for the year in relation to these schemes amounted to £512,001 (2022: £498,160).
- b) National Health Service pension fund. This is a defined benefit pension scheme for all eligible employees. The assets of these schemes are held separately by their National Health Service Superannuation Scheme. Contributions to the scheme are charged to the SOFA so as to spread the cost over the service lives of employees in the scheme. The pension scheme does not have a pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government. This extra cost is not met by contributions from Scheme members and employers. Contributions from both members and employers are paid to the Exchequer, which meets the costs of increasing benefits each year by the rate of inflation. As a result of the nature of the pension scheme there are no separately identifiable assets and liabilities which can be identified as relating to Making Space, therefore as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £3,860 (2022: £7,338).
- c) West Yorkshire Pension Fund. This is a defined benefit scheme for all eligible employees. The scheme is currently in surplus therefore no contributions are being made. The pension cost charge for the year amounted to £0 (2022: £0).
- d) The Lincolnshire Local Government Pension Fund. This is a defined benefit scheme for all eligible employees, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. The scheme is now closed. The pension cost for the year amounted to £0 (2022: £5,579).
- e) Darlington Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements all additional contribution requirements are met by the funding authority. As a result of the nature of the contract agreement this scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £19,158 (2022: £22,680).

The amounts recognised in the balance sheet are as follows:

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

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

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

25. RELATED PARTY TRANSACTIONS

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

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

There are no outstanding amounts at the year end.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

26. PRIOR YEAR RESTATEMENT

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

27. MONEY HELD ON TRUST

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

MAKING SPACE

England & Wales - Charity number 512907

Accounts



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

Annual Report & Financial Statements

For the year ended 31st March 2022

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Trustees' Annual Report

Incorporating the Directors' and Strategic Report

Chairman and Chief Executive Officer Introduction

This is the year that as a society we slowly started to come out of lockdown following the global pandemic. Our workforce have continued to adapt positively and creatively to the ever changing working conditions that they are faced with. For the people we support there have been times of great uncertainty but also many moments of personal success and achievement. For Making Space this year we have faced different challenges to deal with and also reached some major milestones with our strategic plan.

As an organisation we have a long history in delivering regulated services and we have always been proud of our CQC ratings, with the majority of our regulated services being rated as overall good, with some having at least one key line of enquiry rated as outstanding. This year that changed for us as an organisation and we had to face the difficult situation of de-registering one of our specialist regulated services and received inadequate ratings in two other services. This year we have been working closely with our relationship manager at CQC to address the concerns that have been raised in these services and we deeply regret that our standards of care were not been good enough in some areas.

We are resolute that we will learn from the experience we have had with our regulated services this year. We have already begun to make the changes needed to ensure that we are providing the high standards of care we expect of ourselves, that the people we support deserve and that the CQC are accustomed to from our charity.

We set ourselves a number of milestones to reach in our strategic plan for 2020 to 2024 and this year we achieved some key success in each of our four strategic pillars.

A major goal for our Co-production pillar was to increase the diversity of volunteer roles throughout Making Space to ensure that they are person centred and life enriching. The challenge of delivering this goal as we came out of lockdown meant that our focus this year was to keep volunteers connected, supported and designing new approaches to volunteering. Whilst some of our volunteer roles were affected by the need to prevent the spread of Covid, other roles were enhanced and developed. Making Space continues to enjoy the support of over 300 volunteers in our organisation, with more than half of this number being people we support volunteering either in their service or in their local community.

Project Shine embedded our strategic pillar to improve our digital capability as a health and social care provider. An ambitious programme of work to transfer our operational teams over to a new case management system called Nourish has been the main focus for Project Shine this year and all services are required to be on our new system will be by Autumn 2022. Nourish will be a key tool in providing even greater assurance about the positive impact Making Space has on the wellbeing of the people we support. Our teams who are already using the system report that they love it for its simplicity to access great care plans and its ability to be completed alongside the person they are supporting. The feedback from the people we support has been that they feel more involved in their care planning and they enjoy some of the features which enable them to capture their successes and achievements in different formats.

We achieved a number of key milestones in our strategic pillar to provide care designed for the future. This included the launch of two new supported living services, one in Warrington and one in Stockport, that have been designed to safely support people who are ready to be discharged from hospital to receive some intensive support before either going home or moving on to a new housing option. In addition we have invested some of our reserves in the purchase of properties to extend our provision of housing and support for people with a learning disability within the heart of their local communities.

Our final strategic pillar is for us to have a committed and dedicated workforce, one where the people who we employ feel aligned and attuned to our values. We have updated our recruitment process, our performance management process and our reward and recognition platform to align to reflect our values. This year we launched our Living our Values (LoV) Awards, a new monthly award that recognises our colleagues and volunteers for living our values.

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Incorporating the Directors' and Strategic Report

We have completed a midpoint review of our strategic plan and our focus is now upon delivering the goals that we have set ourselves, addressing the areas for improvement with a commitment to the people we support at the heart of our plans, and to start to consider our strategic plan beyond 2024. It has been a year of huge change, one we will learn from and I cannot understate my gratitude to the people we support, our volunteers and work colleagues and the Board of Trustees for all of their commitment to the organisation in this last twelve months.

Charity Objects and Public Benefit

The objects of the Charity are the relief of people who are in need by reason of any physical or mental illness or disability arising from age, accident, disease or infection, including but without limitation learning disabilities and dementia and the relief of their families and carers.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Activities for 2021-22 continue to deliver public benefit by supporting individuals, their families and carers when facing the challenges associated with physical or mental illness or disability, learning disability and dementia.

We are Making Space

Making Space is a national charity and leading provider of health and social care services. We have been helping adults with care and support needs, and their carers, to lead independent and fulfilling lives since 1982.

We provide services from Cumbria to Cambridgeshire, supporting people in their own home, in their local community and with specialist care and support services.

Our caring and professional teams support adults with identified health or social care need(s), including:

- Common and/or complex mental health problems
- Learning disabilities
- Dementia
- People with age-related concerns
- Carers

We also support people who fund their own care and support to promote choice and wellbeing. Our services include:

- Residential and nursing homes
- Supported living and extra care services
- Floating support
- Independent hospitals
- Community support and social inclusion
- Employment and wellbeing
- Psychological therapies

We strive to go above and beyond for the people we support, helping them to live happy, fulfilling and enriched lives, with a focus on positive outcomes for each individual.

At Making Space, everything is done with dignity, respect and compassion for both the people we support and their families.

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Incorporating the Directors' and Strategic Report

Vision

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

Mission

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

Our Way of Working

Everything that we do at Making Space is done on the belief that:

- Everyone matters and deserves a chance
- Everyone has a voice which is worth listening to
- Anyone can be affected by poor health
- Poor health should not be a barrier to finding joy and purpose in life
- Support should be there for anyone who wants it
- Support should be there at the point, and in the form, that it is needed
- We can and do improve and change lives
- There is so much more still to do.

We live our values every day:

Our values determine who we are, how we live our lives, how we treat people and every decision that we make.

It is important for us as a health and social care provider to have the right values. It is even more important to have a workforce that shares these values.

We have 5 co-produced values that represent what we stand for. Each value has a clearly defined list of behaviours that help us to translate them into day-to-day actions.

Our co-produced values and behaviours:

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

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

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

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

Trustees' Annual Report Incorporating the Directors' and Strategic Report

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

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

Having Courage: Committing bravely to working in ways that take us to new places

- We believe in doing the right thing
- We take action and speak up to make positive change
- We try new things
- We take managed risks together
- We accept and learn from our mistakes

Being Ready: Responding to whatever comes our way by moving forward together

- We anticipate change
- We use our knowledge and insight to plan ahead
- We nurture trust through authentic, honest communication
- We build collaborative relationships
- We never stop learning

Our services

- Care and support at home

We are passionate about supporting people to live well in their own homes. Whether their home with us is for a short time, a few years, or longer term. We do everything we can to ensure that person is happy, healthy and has care and support that is unique to them.

In our supported living services, tenants benefit from having their own tenancies and are supported to maximise their independence. We provide flexible levels of support personalised to each individual, with the aim of making a positive difference to their life. Support can be anything from a daily wellbeing check, to care and support a few hours per week or several hours per day. We can also help with benefits, budgeting, maintaining a tenancy and life skills.

Facilities, care and support will vary across our supported living services. Some schemes will be individual homes, while others could be self-contained flats within a shared building. Some of our services have been designed specifically for people living with mental conditions and/or learning disabilities.

We also have accommodation services that are shorter term for people that may have been discharged from hospital, to help them transition into living independently in their community.

Our extra care services provide housing with care for people aged 55 and over. Residents live in self-contained homes, with care staff available to help with personal care and providing meals. They offer community spaces, on-site care and often have on-site facilities such as hairdressers, gardens and bistros. Extra care is a great place to live for those seeking to continue living an independent lifestyle. Some of our extra care schemes have been developed with special consideration of those living with dementia.

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For those that can no longer manage daily living at home, but do not need nursing care, our residential homes provide a safe place to call home. Here residents can continue to live well, socialise and enjoy active, meaningful lives. Our care teams provide personal care and support such as help with washing, dressing, toileting, administering medication and mobility. Some offer specialist support for mental health conditions and dementia.

- **Community based services**

Our community services are tailored to the needs of each community, giving people and carers the support they need to help them stay well and keep active.

Across the country we have services in the community that support mental health, wellbeing, recovery, independence, self-care, learning, employment and social inclusion.

We work in partnership with many other local providers so that we can advise and refer the people we support to other groups and activities that could provide additional local support.

With our integrated approach to providing community services, we hope to provide care and support that is personalised, meaningful, and accessible and that helps people to avoid unnecessary hospital care.

- **Specialised services**

We have a number of services that provide specialist care, therapies and programmes for people living with complex dementia, mental health conditions and associated needs.

These services include our independent hospitals, and residential/nursing care homes. Our multidisciplinary teams provide a high level of specialist care all designed to meet peoples' needs and enhance their quality of life. These services can provide a long-term home or short-term respite. Admission criteria and duration of care available is specific to each service.

We also have a specialist team of qualified Psychological Wellbeing Practitioners who provide one to one support, computerised cognitive behaviour therapy and social prescribing to people who are experiencing common mental health problems.

- **Where we work**

Making Space operates across England and all services are supported by corporate services based in a head office, based in Warrington, in the heart of the North West of England. We are arranged into seven geographical directorates, all led by a dedicated Regional Head of Operations experienced in managing a diverse portfolio of health and social care provision.

The majority of our provision is in the North of England with a growing presence and portfolio across the Midlands area. Each directorate delivers services across our continuum of support that is based in the local community, in people's homes and specialised support.

We are commissioned by Local Authorities and the NHS to provide services that meet the principles of the Care Act 2014, which is built upon reviews and reforms to provide a coherent approach to adult social care in England.

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Incorporating the Directors' and Strategic Report

Strategic Review

Objectives and Activities

Our strategy for 2020-2024 includes:

- A new logo that continues to represent our established identity while also representing how we have evolved
- A vision statement that shares our ambitious hopes for our people, charity and sector
- A mission statement that clearly shares why we exist
- 5 new co-produced values that shape our culture, the way we work and help us to achieve our vision and mission
- Our next strategic plan, underpinned by 4 strategic pillars, each with their own key aims and measures
- Strategic KPIs to help us measure the implementation of our longer-term strategy

Vision	We will put wellbeing at the heart of health and social care.			
Mission	Together we build relationships, connect communities and provide quality care as unique as the people we support.			
Values	Kind Hearts Tailor-Making Dreaming Big Having Courage Being Ready			
Strategic Pillars	Co-produced Services	Digital Capability	Care Designed for the Future	A dedicated and committed workforce
	Aim 1: Making it real service plans Aim 2: Making change - experts by experience Aim 3: Involvement in employee recruitment Aim 4: National event for people we support Aim 5: Increase the range of volunteer roles throughout the organisation that are person-centred and life enriching	Aim 1: Research, identify, design & implement an optimal digital infrastructure Aim 2: Developing the digital skills of our people Aim 3: Electronic care planning	Aim 1: Places to Call Home programme Aim 2: Shaping our destiny Aim 3: Investing to grow Aim 4: Learning from the best practice	Aim 1: Attracting the best people, with the right values in the right number Aim 2: Developing the skills of our people to fulfil their potential Aim 3: Supporting our people to give their best with wellbeing at the heart Aim 5: Leading through excellence

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People we support

In the last twelve months we have supported 11,245 (2021: 10,192) people across the country accessing the following services:

Service Type	No. of people using the services
Psychological Wellbeing Services	2,874
Community Based Dementia Services	2,406
Social Inclusion/Day Services	2,143
Carer Support	1,747
Support Accommodation Provided	682
Support Accommodation Not Provided	513
Extra Care (CQC Registered)	443
Care Homes Without Nursing (CQC Registered)	257
Employment Advice	103
Nursing Homes (CQC Registered)	42
Independent Hospitals	35
Total	11,245

Volunteering and support to volunteers is a key aspect of our approach to supporting a broad range of people to stay connected to their own communities. During the year we have seen an increase in volunteer numbers to 347 from the previous year's figure of 299. This reflects people's confidence to return to volunteering activities following the easing of COVID restrictions.

Strategic Activities and Key Performance Measures

Key deliverables for the year to 31 March 2022 were:

- **Increase the voice and visibility of the people we support into the governance of the organisation.**

During the year, Making Space maintained the commitment to involve people we support in staff recruitment, with 44% of posts having some form of user involvement and engagement. As part of our response to the Care Quality Commission's regulatory requirement to have a Service User Guide in place across registered services, a new guide and information handbook was co-produced and designed for use across Making Space. Additional support was provided to Making Change group members and volunteers throughout the COVID-19 period with positive feedback around online events and meetings.

- **Implement a phased digital support and care plan platform across specialist, residential and community based services.**

Following a comprehensive assessment of the market place, Nourish, an experienced provider of digital care plans was contracted to support the roll out of a project implementation plan. This is a key element of the Shine project, to enhance digital capabilities across the organisation and enhance the opportunities afforded through innovation and technology.

- **We will complete the Trusted Charity Level One self-assessment and accreditation process.**

Following changes to the National Council for Voluntary Organisations, the Trusted Charity programme was temporarily suspended pending the identification of a new provider. Making Space is commissioning a governance review from an alternative external provider.

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- **We will review safeguarding and quality assurance processes in light of emerging regulatory changes and regulations.**

The Quality Assurance Team reviewed all safeguarding and quality assurance processes, which resulted in improving online guidance and reporting processes. In addition a quality audit framework and regional dashboard has been introduced to give an overview of service performance on a quarterly basis.

- **Update our workforce reward and recognition strategy.**

This year we have been updating our reward and recognition strategy. We have increased the allowance for our cycle to work scheme and we have also introduced a car maintenance scheme. In January we launched Wagestream, a financial wellbeing initiative that helps colleagues to: track their pay in real time, stream 30% of earned wages when they need it, save money and access advice on managing money. So far, 22% of our employees have signed up to Wagestream, and we plan to increase this engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and have also put in place a life assurance benefit which started in April 2022.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards, Markel 3rd Sector Awards and Great British Care Awards and have 27 colleagues reaching the national and regional finals.

- **Develop a new suite of key performance indicators which support the new strategic plan.**

We have now developed and agreed our key performance indicators for the coming year. These KPIs support our new strategic plan and are summarised below.

Key Performance Indicators

Performance against our Key Performance Indicators for 2021-2022 is summarised below:

KPI	Benchmark	Target	Actual	Narrative
1. Increase our digital ability to measure our impact and outcomes for the people we support.	% of services with electronic care plans in place against implementation target.	90% and above.	90%	Nourish implementation continues to be on track for full implementation by December 2022.
2. Provide high quality care for the people who use our services.	CQC compliance in top quartile % of services rated as good or above.	90% and above.	91%	There are 22 CQC registered services. Monet Lodge was rated as Inadequate in February 2021. In June 2021 Kingshill was rated as Requires Improvement.
3. Ensure services are delivered in accordance with agreed performance and quality levels.	Service utilisation compared to contract requirements and actual hours delivered verses planned delivery hours.	80% and above.	91%	During this year community and social support services have moved to full uptake following the removal of

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				COVID restrictions, though the vast majority of services continued operating throughout this period.
4. Actively involving people we support in the design and delivery of services.	% of services with a 'Making it Real Plan' in place	70% and above.	40%	The number of services with Making it Real plans in place is steadily increasing.
5. Connecting people to their communities and others through volunteering.	% of services with volunteer roles, actual versus plan.	80% and above.	48%	There has been an increase in volunteers numbers as people feel more confident to re-engage follow the COVID restrictions.
6. Listening to the people we support to improve our services.	% of services with service user feedback mechanisms in place.	80% and above.	90%	Services have a wide range of processes and engagement tools in place to gain feedback to continually improve services for the people we support.
7. Attract the right people with the right values in the right number.	Vacancy % compared to 2020 Skills for Care Report of 7.3%.	6.5% and below.	12.3%	Vacancies have significantly increased from 6.9% at the start of the year following the COVID pandemic across the social care sector. Whilst we are managing to recruit a number of new recruits the increase in leavers has compounded this issue further.
8. Have a workforce that feels valued and rewarded.	Turnover % compared to 2020 Skills for Care Report of 30.4%.	25% and below.	34.8%	Turnover increased from 22.8% at the start of the year to 34.8% at year end. As above the COVID pandemic has significantly impacted upon

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				leavers. This has started to improve though towards the end of the year.
9. Develop our people's skills to their full potential.	Operational colleagues qualified to at least level two compared to 2020 Skills For Care Report of 48.0%	48.0% and above.	44.2%	The increased levels of vacancies and leavers this year has impacted upon staff working towards qualifications as well as losing qualified staff, We have increased supply and accessibility and are starting to see this improve.
10. Maintain our financial viability.	Achieve agreed annual budget surplus of £1,173,249.	Better than budget.	Actual deficit of £493,658	The main driver for this negative performance was the £1,415,317 deficit made at Monet Lodge Independent Hospital. Significant money was spent on this service following a CQC Improvement notice. However this investment in time and money did not successfully resolve the quality issues at this hospital and the hospital closed on 31 st March 2022.
11. Continue to grow so that our positive impact is felt more widely.	Achieve growth in income whilst generating a reasonable surplus.	Income greater than prior year.	Income has increased from £27.6m to £31.6m	Increased income by 14.5%

When agreeing KPIs with the Executive Management Team, Trustees look to set targets, which improve performance by benchmarking against industry average information and by looking for continuous improvement. Initially service user outcomes and Care Quality Commission compliance were benchmarked against industry averages. However, Making Space now look for continuous improvement in this area as performance is well above industry averages. Employee-related KPIs are benchmarked against care sector average information mainly derived from Skills for Care.

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Financial Review

Despite the pressures associated with coming out of the COVID-19 pandemic across the Charity, financial and otherwise, we continued to deliver on our Strategic Plan 2020-2024 by investing in our people and care improving technology. In year a commitment to at least pay the Real Living Wage was made together with above inflation rises for nursing and key management roles.

Our operating deficit for the year was £656,658 which does not compare well to our prior year operating surplus of £969,353. The key driver to this negative movement in financial performance is the £1,415,317 deficit generated by Monet Lodge Independent Hospital which closed on 31st March 2022. Quality reviews of all other CQC registered services together with the independent 'lessons learnt' report on Monet should help ensure such a large financial deficit is not incurred by any of our services again.

Our total income rose from £27,571,420 in 2020-21 to £31,581,300 in 2021-22 which represents an increase of 14.5%. This increase in income was driven by tender successes after the reopening of services post COVID-19.

Total expenditure before gains and losses rose from £26,602,067 to £32,237,959 which represents an increase of 21.2%. In large part this increase in one off costs associated with the final year of operation and closure of Monet Lodge Independent Hospital. However it should also be noted that our commitment to paying the Real Living Wage and increasing the pay of other key roles in order to help address the staffing crisis in Social Care is likely to suppress surpluses to at best break even in the short term.

There was an overall net decrease in funds from £18,633,085 to £18,139,426. The deficit on our defined benefit pension schemes fell from £163,000 to nil. This is due to our final employee in the Lincolnshire Local Authority Pension leaving and confirmation that no further payments are due from us.

Reserves and Going Concern

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. Our reserves policy at the time of last year's report was to maintain an emergency operating reserve as a cash balance of two months expenditure which equalled £4,350,837. Our policy was to invest any free reserves over the emergency operating reserves into new services.

In response to the reserves expended in Monet Lodge Independent Hospital's final year of operation the decision has been made to stop buying or developing new properties until there is a clearer picture of how the current cost of living crisis is going to impact on our finances. One new service with a potential development cost of £1.5m may continue but no further property purchases will take place until we know Council and NHS funding is going to be impacted by current high inflation rates.

Our balance of cash and short-term investments as at 31 March 2022 was £10,764,469. As of this date the two month emergency operating reserve was £5,323,042. Under last year's reserves policy £5,441,427 would have therefore been free to invest in new services. As stated above only a maximum of £1,500,000 will be spent on purchasing new property until there is a clearer picture of how inflation is going to impact our finances. A new planned maintenance reserve has been set up this year which currently stands at £82,799. The £5,441,427 of available reserves therefore need to be reduced by the possible £1,500,000 investment together with the planned maintenance reserve of £82,799 giving excess reserves £3,858,628. Prudence dictates that any plans to spend these are put on hold until a budget for 2023-24 and forecasts for future years are thoroughly reviewed and agreed.

An updated reserves policy will be agreed in 2023-24 which takes account of financial challenges facing the social care sector. As a stop gap we are adopting a safety first approach so that any going concern worries are minimised.

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Investments

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk-averse policy to invest in cash with a number of credit-referenced UK registered banks.

Interest rate quotes are sought from credit-referenced banks each time cash is placed on deposit to meet the objective of maximising interest received from this limited number of banks.

Subsidiaries

Footsteps 2000 Ltd became Making Space's first subsidiary on 1st April 2021. Footsteps 2000 Ltd made a deficit of £16,768 on income of £72,884 in the year to 31st March 2022. Footsteps has a bank balance of £81,483 with a net assets balance of £17,581.

Making Space has not produced consolidated accounts due to the comparatively immaterial size of the finance of Footsteps 2000 Ltd.

Fundraising Practices

Making Space employs a Fundraising Manager and a Fundraising Coordinator. Both these employees are given delegated authority to make grant applications on the charity's behalf and to promote public appeals, events and challenges. Our employed fundraisers also encourage other Making Space employees, volunteers and supporters to raise funds for the charity. We do not engage a professional fundraiser or a fundraising agency.

The charity is registered with the Fundraising Regulator and follows the regulator's Fundraising Code. To our knowledge we have complied fully with all regulatory fundraising standards.

Those employees, volunteers and supporters who are encouraged to fundraise for us are offered guidance, advice and supervision from our Fundraising Manager and Coordinator.

No complaints have been received concerning fundraising.

We have acted to protect vulnerable people during our fundraising activities by ensuring potential donors understand what they are donating to and how the money will be spent. We avoid fundraising in a setting where people may lack capacity to make a decision. Consequently we do not seek to fundraise from service users but instead target family, friends and the general public. Donations are recorded and when thanked for their donation checks are made to ensure donors understand the purpose to which their gift will be put. If we have any suspicions that a donation was not freely then the donation will be returned. We never pressurise people into making a donation.

Key Risks and Uncertainties

The Trustees are responsible for the management of risks faced by Making Space, working to an established risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks faced, prioritising risks in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

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The key controls used include:

- Comprehensive reports are monitored at regular, minuted Board and Committee meetings.
- Detailed terms of reference for all Committees and an approval process for all actions by the Board.
- Comprehensive strategic and operational planning, budgeting and management accounting.
- Clear organisational structure and lines of reporting.
- Formal written policies which are regularly reviewed.
- Clear authorisation and approval levels.
- Trustee approved risk management policy and associated procedures.

Significant risks and mitigating actions are outlined below:

Poor quality support putting service users at risk which may also result in CQC enforcement action possibly resulting in significant financial loss and reputational damage

- Commissioned a 'root cause analysis' report from The Good Governance Institute on the failures at Monet Lodge Independent Hospital so that mistakes are not repeated. Failings at Monet raised concerns regarding the quality in other Making Space services.
- Restructured the Senior Leadership Team in order to enhance line management of our services.
- Moving to a functional management structure under which services are managed by specialists in the type of support given.
- Undertaking an independent audit by former CQC inspectors in order to identify and address any quality and governance issues.

Failure of funding to keep pace with inflation costs driven energy costs

- Benchmark our services using industry standard pricing tools in order to help ensure services are as cost effective as possible and prices can be defended to Commissioners.
- Put plans to use free reserves on hold until the full extent of the impact of inflation on our finances is known.
- Freeze on head office recruitment until budget for 2023-24 is agreed.
- Work with services where agency use is high in order to understand the reasons for such a high dependence on agency staffing and put remedial measures in place.

Failure to attract and retain suitable skilled, qualified and experienced employees

- A three year people plan is in place which includes a range of approaches that will support the delivery of the strategic plan and our drive to become a preferred employer within the health and social care market.

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Energy and Carbon Reporting

Making Space recognises the challenges presented by climate change and the responsibility it has in reducing the negative impact the charity has on the environment. We are committed to reducing our energy and fuel use as well as waste. An action plan will be agreed in 2022-23 which addresses each of these areas.

This is our first year of environmental impact reporting and as such will present figures for the year 1st April 2021 to 31 March 2022 which are in line with our financial reporting period.

Carbon Footprint (Greenhouse gas emissions)

Type of emission	Activity	2021-22
		tCO ₂ e
Direct (Scope 1)	Gas	384
Energy Indirect (Scope 2)	Electricity	174

Intensity metric		
Number of employees		989
Tonnes of CO ₂ e		0.56

Assessment parameters

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

Our Plans for 2022-23

We will:

- Reinstale the annual trustee awards event.
- Agree an environmental action plan.
- Complete the implementation of the Nourish Care Management System.
- Benchmark Making Space service costs against industry standards so as to ensure a value for money offer to Commissioners.
- Improve leadership, governance and oversight of CQC registered services.
- Carry out a Trustee skills audit
- Imbed an integrated governance framework

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Administrative Details

Making Space is a charity (Registered charity number 512907) and a company limited by guarantee (Company Registration number 01642033).

Registered Office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as Trustees during the reporting period, and up to the date of signing:

A Teague	Chair of the Trustees – resigned 23 Jun 2022
A Broadhurst	
W Bonnefin	Appointed 18 Nov 2021 Resigned 24 Aug 2022
N Hormozi	
S Humphreys	Resigned 10 May 2022
S Hull	Resigned 21 Feb 2022
M Jenkinson	Resigned 8 Dec 2022
E Johnstone	Appointed Chair 23 Jun 2022
K Porceddu	
K Wykes	Appointed 18 Nov 2021

Chief Officers of Making Space

Chief Executive:	R Peacock
Executive Director of Finance:	W Jones
Executive Director of Operations:	G Chisnall
Executive Director of Human Resources	P Orton
Executive Director of Quality and Compliance	P Dillon
Company Secretary	W Jones

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

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

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

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Structure, Governance and Management

Making Space is governed by its Memorandum & Articles of Association. It is an incorporated charity registered with the Charity Commission. There is a maximum of 16 Trustee positions on the Board. At the end of the year, 6 posts were filled. Trustees are elected at the Annual General Meeting (AGM) and hold office for 3 years, subject to the terms of the Memorandum & Articles of Association. Trustees can seek re-election for a further term of office up to a maximum of three terms of three years.

The Board has an active desire to recruit additional Trustees and applications or nominations for Trustee positions are received and reviewed by the Board against a skills matrix and role description, in accordance with the Trustee Recruitment Policy and Procedure. Prospective Trustees are interviewed to assess their competency and suitability for a Trustee position before gaining the support of the Board, prior to nomination and approval at the AGM. A comprehensive induction programme is implemented for each new Trustee, which includes visits to services, mentoring from Executive Officers and on-going support from the Chairman and other Board members.

Daily operational running of the organisation is delegated to the Chief Executive and the Executive Management Team based at Head Office in Warrington. The Head Office houses the Executive Management functions for finance, operations, human resources, and quality. During the year, the Chief Executive and the Executive Management Team presented reports regularly to the Board and Hospital Managers Committee and Quality and Assurance Committee on strategic and operational issues relevant to the Board's oversight of the organisation.

For the purposes of the Mental Health Act 1983 (MHA), Making Space is the detaining authority and therefore "Hospital Managers" for patients who may be detained under a section of the Mental Health Act, within our Independent Hospitals. The Board of Trustees as "Hospital Managers" are responsible for all the patients detained in the hospitals including in respect of the duties and powers to discharge patients. The Trustees have the power to appoint experienced "Associate Hospital Managers" to help them undertake their Hospital Manager responsibility.

In addition, the Trustees must ensure the responsibility and commitment of Making Space as the Registered Provider to evidence based care and treatment and quality of patient experience. All new and existing Trustees follow the agreed policies and procedures laid out in the Trustee Handbook. These include policies and procedures for effective induction of new Trustees and a thorough learning and development programme for all Trustees.

Trustee induction includes an introduction to The Charity Commission's Charity Governance Code and the seven pillars of good governance. The Charity Commission Code of Governance is adopted by the charity and Making Space is compliant in all areas. Trustees are introduced to their legal responsibilities by working through The Essential Trustee before getting an understanding of the seven principles of leadership, integrity, decision-making, risk and control, board effectiveness, diversity, openness, and accountability. These principles form the basis of how Making Space is governed and managed. This was assessed in the prior period and there has been no change in the current period. Trustees must complete online mandatory training.

A review of the pay of Executive Directors was undertaken using information from external data resources. The Board of Trustees and the CEO agreed the actual pay placing them within the appropriate range identified by these external resources.

The only Trustee role which it is possible to pay under Making Space governing documents is that of Chair. The Trustees took the decision in 2014 to start paying for the role of Chair. This decision was taken following legal advice and receiving Charity Commission approval. A remuneration rate of £10,000 per year was agreed following a benchmarking exercise with payments made to the Chairs of similar charities. The Chair chose not to receive payment in the year to 31st March 2022.

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Employee Engagement

The COVID pandemic has impacted significantly upon our progress with our People Plan as we have been required to respond to unprecedented workforce issues during the year. We have though continued to progress on a number of people related areas.

The COVID pandemic has had an unprecedented effect upon our workforce. To recognise this we have maintained full occupational sick pay for any colleague being required to self-isolate during the year. Additionally, in March 2022 we also made a £100 retention bonus to recognise the extraordinary efforts of our colleagues.

In December 2021 the board committed to significantly increase the pay of our colleagues on the lowest levels of pay, whilst at the same time addressing eroding pay differentials between more senior levels. This resulted in pay being increased in two steps in January 2022 and April 2022. Overall 85% of colleagues received between a 3.9% and a 9.2% pay increase.

Building upon our 2021 Employee Engagement survey we carried out several listening events for colleagues and managers to develop a more qualitative understanding of some of the findings. This included fair treatment at work, leadership and reward. This learning has been used to inform our action plan, including revising our whistleblowing policy, improving rewards and specifically improving pay further, communication and our leadership programme.

We have also continued to embed our values through the introduction of a revised performance development and review policy and the introduction of our Living our Values Awards, which were introduced in April 2021. The awards have been well received and we get a number of nominations, then selecting a monthly winner. One of the people we support has participated as a judge throughout the last year to help us to choose the winners.

We have furthered the improvements in communications we made during the previous year with a monthly video update from our CEO Rachel Peacock.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year. We were delighted to have won several regional eves at the Great British Care Awards and at the National finals we were a highly commended runner up for Care Employer of the Year.

Positive about Disability

We are a Disability Confident Employer Level 1, this means that Making Space is taking action to ensure that people with disabilities and long term health conditions feel supported, engaged and able to fulfil their potential in the workplace.

These steps include offering interviews to all candidates who meet the minimum criteria for the role and being flexible with our recruitment processes. For example, allowing CV applications rather than only application forms where that's a supportive step and supporting flexible working patterns where possible. It also means that we take active steps to make adjustments in the workplace to support employees with disabilities. We also provide Equality & Diversity training including Dementia, learning disabilities and Mental Health awareness to our workforce.

Qualifying indemnity provisions

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

Related Parties and Co-production with other Organisations

Footsteps 2000 Ltd which is a carers service specialising in supporting the families of those impacted by addiction became a subsidiary of Making Space on 1st April 2021.

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

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

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,849 (2021: £56,843).

Statement of Compliance with Section 172 (1) Companies Act 2006

The board of Trustees of Making Space consider that both individually and together for the year ended 31st March 2022 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and having regard to the matters set out in s.172 (1) (a) to (f) as below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Charity's employees;
- c) The need to foster the Charity's business relationships with suppliers, customers and others;
- d) The impact of the Charity's operations on the community and the environment;
- e) The desirability of the Charity maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of the Charity.

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

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

- b) The interests of the Charity's employees:

The trustees affirm that the Charity cannot function without the goodwill, hard work and dedication of its employees. It knows that the key to maintain this relationship lies in ensuring that the employee's interests align with those of the Charity. The Charity regularly seeks the views of its staff. Regular updates on company news and performance is shared with all employees.

The Charity also carries out frequent benchmarking exercises where it measures itself against other employers to ensure that it continues to be seen as an employer of choice by prospective candidates. These assignments examine the salaries and other benefits offered by competitors in the same or similar employment markets. Making Space is committed to at least paying the real living wage.

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

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

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

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

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

- e) The desirability of the Charity maintaining a reputation for high standards of business conduct

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

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

- f) The need to act fairly between members of the Charity:

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

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Statement as to disclosure of information to auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware; and
- The Trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approve the Strategic Report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees



Elaine Johnstone

Chair of Trustees

Date: 28 November 2022

Trustees' Responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Elaine Johnstone

Chair of Trustees

Date: 28 November 2022

Independent Auditor's Report to the Members of Making Space

Opinion

We have audited the financial statements of Making Space (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Making Space

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of Making Space

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, income recognition, fixed asset depreciation and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

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

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Making Space

Use of the audit report

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


Nicola Wakefield (Dec 21, 2022 19:01 GMT)

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 21-Dec-2022

Statement of Financial Activities

(Incorporating the summary income and expenditure account)

Year ended 31 March 2022

	Note	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		89,287	0	89,287	142,750
Charitable activities	2,8	31,250,436	162,372	31,412,808	27,351,519
Other trading activities	3	8,040	0	8,040	4,020
Investments	4	47,180	0	47,180	67,360
Other	5	23,985	0	23,985	5,771
TOTAL INCOME AND ENDOWMENTS		31,418,928	162,372	31,581,300	27,571,420
RESOURCES EXPENDED					
Charitable activities	7,8,10	32,070,314	167,645	32,237,959	26,602,067
TOTAL EXPENDITURE		32,070,314	167,645	32,237,959	26,602,067
(EXPENDITURE)/INCOME BEFORE GAINS/(LOSSES)		(651,385)	(5,273)	(656,658)	969,353
Actuarial gains/(losses) on defined benefit pension schemes	25	163,000	0	163,000	(73,000)
NET MOVEMENT IN FUNDS		(488,385)	(5,273)	(493,658)	896,353
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		17,626,925	1,006,160	18,633,085	17,736,732
TOTAL FUNDS CARRIED FORWARD	20	17,138,539	1,000,887	18,139,426	18,633,085


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

Balance Sheet

As at 31 March 2022

	Notes	2022 £	Restated 2021 £
FIXED ASSETS			
Tangible assets	13	8,304,026	7,869,894
Investments, cash and cash equivalents		7,552,395	6,649,798
TOTAL FIXED ASSETS		<u>15,856,421</u>	<u>14,519,692</u>
CURRENT ASSETS			
Stock	14	0	461
Debtors	15	3,846,572	2,718,006
Cash at bank and in hand		3,212,074	4,716,208
TOTAL CURRENT ASSETS		<u>7,058,646</u>	<u>7,434,675</u>
LIABILITIES			
Creditors: amounts falling due within one year	16	(4,775,641)	(3,158,282)
NET CURRENT ASSETS		2,283,005	4,276,393
TOTAL ASSETS LESS CURRENT LIABILITIES		18,139,426	18,796,085
Defined benefit pension scheme liability	25	0	(163,000)
TOTAL NET ASSETS		<u>18,139,426</u>	<u>18,633,085</u>
THE FUNDS OF THE CHARITY			
Restricted funds	18, 20, 22	1,000,887	1,006,160
Unrestricted funds	18, 20	17,138,539	17,626,925
TOTAL CHARITY FUNDS	20	<u>18,139,426</u>	<u>18,633,085</u>

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 22nd November 2022 and signed on its behalf by:



Elaine Johnstone

Chair of Trustees

Date of Signing: 28 November 2022

Cash Flow Statement

Year Ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by operating activities	85,122	2,419,054
Cash flows from investing activities:		
Dividends, interest and rents from investments	47,180	67,360
Proceeds from the sale of property, plant and equipment	1,000	425,660
Purchase of property, plant and equipment	(734,839)	(849,083)
Proceeds from sale of investments	(902,597)	(549,298)
Net cash (used in)/provided by investing activities	(1,504,134)	1,513,693
Change in cash and cash equivalents in the reporting period	(1,504,134)	1,513,693
Cash and cash equivalents at the beginning of the reporting period	4,716,208	3,202,515
Cash and cash equivalents at the end of the reporting period	3,212,074	4,716,208

Reconciliation of net (expenditure)/income to net cash flow from operating activities	Current Year £	Prior Year £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(493,658)	896,353
Adjustments for:		
Depreciation charges	299,708	271,886
Dividends and interest from investments	(47,180)	(67,360)
Deficit on sale of fixed assets	0	0
Decrease in stocks	461	16
(Increase)/decrease in debtors	(1,128,567)	373,084
Increase in creditors	1,617,358	869,075
(Increase)/decrease in pension liability	(163,000)	76,000
Net cash provided by operating activities	85,122	2,419,054

Analysis of cash and cash equivalents	Current Year £	Prior Year £
Cash in hand	3,212,074	4,716,208
Notice deposits (less than 3 months)	0	0
Overdraft facility repayable on demand	0	0
Total cash and cash equivalents	3,212,074	4,716,208

Notes to the Financial Statements

For the Year Ended 31 March 2022

1. ACCOUNTING POLICIES

Company status

Making Space is a private company, limited by guarantee, and a charity, registered and incorporated in England & Wales, under the Companies Act and Charity Act. The Trustee Report includes the address of the registered office and details the principal activities of the charity.

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

Trustees are aware that the current high rate of inflation and recruitment problems for social care make for a very challenging public sector funding environment going forward. The government is already consulting on a cap on social housing rents of 3%, 5% or 7%. The government's preferred option of 5% would result in an income reduction of about £300,000 in the customary increase in rental income. Prudence dictates that Making Space plans for other public sector funding failing to keep pace with inflation. Scenario planning where the key risks associated with inflationary fee uplifts and agency costs will form a key part of the 2023-24 budget setting process. In the interim Trustees have taken the decision to cease investing in new property purchases. Prior years' positive financial performance has resulted in Making Space having a strong balance sheet with cash and investment balances totalling £10,764,469.

This cash balance is sufficient to offset forecast operating deficits in the medium term.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

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

Notes to the Financial Statements For the Year Ended 31 March 2022

Incoming resources

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

Grants, rents and service charges receivable

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

Furlough

Monies received under the furlough scheme are accounted for under an accruals basis.

Donations

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

Investment income

Investment income is accounted for when receivable.

Cash at bank and cash in hand includes cash in the current bank account.

Investments consist of cash held on deposit for periods of twelve months.

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit-referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs

are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Notes to the Financial Statements For the Year Ended 31 March 2022

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts.

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds, which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds, which have been put aside at the discretion of the Trustees.

Tangible Fixed Assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation.

Repairs and maintenance are charged to the SOFA during the period in which they are incurred.

Notes to the Financial Statements For the Year Ended 31 March 2022

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

(a) Defined benefit scheme

Making Space has employees in four defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

(b) Making Space contributes to five group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination Policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Stocks

Stocks are no longer valued due to the low value of stocks held.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Notes to the Financial Statements For the Year Ended 31 March 2022

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

Notes to the Financial Statements For the Year Ended 31 March 2022

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Head Office	0	0	0	5,161	0	5,161
Residential care homes and independent hospitals	10,783,415	117,372	10,900,787	9,313,258	117,372	9,430,630
Social inclusion services	1,459,652	0	1,459,652	1,554,092	0	1,554,092
Improve access to psychological therapies	462,890	0	462,890	350,505	0	350,505
Carer support	1,040,269	45,000	1,085,269	458,293	46,250	504,543
Community dementia services	511,948	0	511,948	780,860	0	780,860
Supported housing	12,668,416	0	12,668,416	10,972,412	0	10,972,412
Home care services	4,323,846	0	4,323,846	3,528,161	0	3,528,161
Furlough	0	0	0	225,155	0	225,155
Total	31,250,436	162,372	31,412,808	27,187,897	163,622	27,351,519

3. INCOME FROM OTHER TRADING ACTIVITIES

	2022 £	2021 £
Rental income	8,040	4,020
	<u>8,040</u>	<u>4,020</u>

4. INCOME FROM INVESTMENTS

	2022 £	2021 £
Interest received	47,180	67,360
	<u>47,180</u>	<u>67,360</u>

5. OTHER INCOMING RESOURCES

	2022 £	2021 £
Sale of goods	5,170	0
Miscellaneous income	18,815	5,771
	<u>23,985</u>	<u>5,771</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

6. GOVERNMENT GRANTS

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

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2022
	£	£	£	£	£
Head office	0	0	3,546,627	73,735	3,620,362
Residential care homes and independent hospitals	11,238,755	0	0	0	11,238,755
Social inclusion	1,214,014	0	0	0	1,214,014
Improve access to psychological therapies	423,478	0	0	0	423,478
Carer support	973,871	0	0	0	973,871
Community dementia support	460,104	0	0	0	460,104
Supported housing	10,250,901	0	0	0	10,250,901
Home Care Services	4,056,473	0	0	0	4,056,473
Total	28,617,596	0	3,546,627	73,735	32,237,958
Unrestricted	28,449,951	0	3,546,627	73,735	32,070,313
Restricted	167,645	0	0	0	167,645
Total	28,617,596	0	3,546,627	73,735	32,237,958
	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2021
	£	£	£	£	£
Head office	0	0	3,154,047	51,792	3,205,839
Residential care homes and independent hospitals	8,457,785	0	0	0	8,457,785
Furlough scheme	225,155	0	0	0	225,155
Social inclusion	1,352,831	0	0	0	1,352,831
Improve access to psychological therapies	308,304	0	0	0	308,304
Carer support	441,845	0	0	0	441,845
Community dementia support	702,149	0	0	0	702,149
Supported housing	8,662,794	0	0	0	8,662,794
Home Care Services	3,245,365	0	0	0	3,245,365
Total	23,171,073	0	3,154,047	51,792	26,602,067
Unrestricted	23,245,249	0	3,154,047	51,792	26,451,088
Restricted	150,979	0	0	0	150,979
Total	23,396,228	0	3,154,047	51,792	26,602,067

Notes to the Financial Statements For the Year Ended 31 March 2022

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

	Income	Costs	Net cost funded from other income	Income	Costs	Net cost funded from other income
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Head office	0	3,546,627	(3,545,627)	5,161	3,154,047	(3,148,886)
Governance costs	0	73,735	(73,735)	0	51,792	(51,792)
Residential care homes and independent hospitals	10,900,786	11,238,755	(337,969)	9,430,630	8,457,785	972,845
Social inclusion	1,459,652	1,214,014	245,638	1,554,092	1,352,831	201,261
Improve access to psychological therapies	462,890	423,478	39,412	350,505	308,304	42,201
Carer support	1,085,269	973,871	111,398	504,543	441,845	62,698
Community dementia support	511,948	460,104	51,844	780,860	702,149	78,711
Supported housing	12,668,416	10,250,901	2,417,515	10,972,412	8,662,794	2,309,618
Extra care including homecare	4,323,846	4,056,473	267,373	3,528,161	3,245,365	282,796
Furlough	0	0	0	225,155	225,155	0
Total	31,412,807	32,237,958	(825,151)	27,351,519	26,602,067	749,452

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs	Support Costs	Governance costs	Total costs
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Chief Executive	171,601	0	171,601	198,306	0	198,306
Business Services	255,206	0	255,206	211,865	0	211,865
Finance	392,865	0	392,865	396,795	0	396,795
Development	271,634	0	271,634	266,623	0	266,623
IT	474,584	0	474,584	458,483	0	458,483
Human resources	593,244	0	593,244	476,524	0	476,524
Marketing	213,618	0	213,618	206,271	0	206,271
Quality assurance	380,748	0	380,748	375,503	0	375,503
Central management	203,956	0	203,956	236,213	0	236,213
Membership, Voluntary and User Inclusion	88,212	0	88,212	40,888	0	40,888
Other	500,959		500,959	286,576	0	286,576
Audit fees and accountancy costs	0	39,070	39,070	0	35,900	35,900
Trustee costs	0	33,666	33,666	0	14,892	14,892
Trustee indemnity insurance	0	1,000	1,000	0	1,000	1,000
Total	3,546,627	73,736	3,620,363	3,154,047	51,792	3,205,839

Notes to the Financial Statements For the Year Ended 31 March 2022

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total
	2022	2022	2022	2022
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	23,553,012	8,311,504	299,708	32,164,224
Governance costs	1,020	72,715	0	73,735
Total resources expended	23,554,032	8,384,219	299,708	32,237,959

	Staff costs	Other	Depreciation	Total
	2021	2021	2021	2021
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	19,337,980	6,940,409	271,886	26,550,275
Governance costs	11,185	40,607	0	51,792
Total resources expended	19,349,165	6,981,016	271,886	26,602,067

11. NET INCOMING/ (OUTGOING) RESOURCE

	2022	2021
	£	£
Net incoming resources for the year are stated after charging/(crediting): Rentals under operating leases	261,029	242,783
Depreciation of tangible fixed assets - owned	299,708	271,886
(Surplus)/deficit on disposal of fixed assets	0	0
Auditor's remuneration for the audit of the Charity's annual accounts	39,070	32,000

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2022	2021
	£	£
Staff costs comprise:		
Wages and salaries	18,405,891	16,739,531
Agency costs	3,017,881	836,183
Social security costs	1,353,073	1,183,360
Pension costs	534,165	492,087
Termination and redundancy costs	243,022	98,004
	23,554,032	19,349,165

Notes to the Financial Statements For the Year Ended 31 March 2022

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

	Number of actual employees 2022	Number of actual employees 2021
Management	28	29
Administration	50	45
Operational	1,001	915
	<u>1,079</u>	<u>989</u>

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

	2022	2021
£60,000 to £70,0000	0	1
£80,000 to £90,000	3	4
£110,000 to £120,000	1	1
	<u>4</u>	<u>6</u>

Retirement benefits are accruing under a defined contribution scheme for these four employees (2021: six). Total contributions paid in year for the four employees was £73,182 (2021: £72,035).

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

There are also defined benefit pension schemes, which are disclosed in Note 24.

TERMINATION AND REDUNDANCY COSTS

£243,022 has been paid in redundancy costs due to a restructure and contracts being downsized or ended.

TRUSTEE EXPENSES

Professional indemnity insurance has been taken out on behalf of Trustees at a cost of £1,000 (2021 - £1,000).

The secretarial and administrative cost of the Board of Trustees was £33,666 (2021 - £14,891) for the ten Trustees who served in 2022 (2021 – eight). Within this total an amount of £292 was paid to Trustees as expenses (2021 - £72).

No remuneration was paid to any trustee this year (2021 - also nil).

KEY MANAGEMENT COSTS

Key management personnel for the charity is made up of unpaid Trustees and the five strong Executive Management Team. The total employee benefits of the Executive Management Team was £532,352 (2021 - £478,014).

Notes to the Financial Statements For the Year Ended 31 March 2022

13. TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

	Assets under construction	Freehold land and buildings	Long leasehold property	Fixtures and equipment	Motor vehicles	Total tangible fixed assets
	£	£	£	£	£	£
Cost						
As at 1 April 2021	1,000	8,473,467	2,259,226	381,520	55,829	11,171,042
Additions	300,991	265,688	93,883	48,250	26,028	734,840
Disposals	0	0	0	(130,241)	0	(130,241)
Transfer	(1,000)	0	0	0	0	(1,000)
As at 31 March 2022	300,991	8,739,155	2,353,109	299,529	81,857	11,774,641
Accumulated depreciation						
As at 1 April 2021	0	1,431,707	1,636,371	202,874	30,195	3,301,147
Charge for the year	0	158,525	73,586	52,597	15,000	299,708
Disposals	0	0	0	(130,241)	0	(130,241)
Transfers	0	0	0	0	0	0
As at 31 March 2022	0	1,590,232	1,709,957	125,230	45,195	3,470,614
Net book value						
As at 31 March 2022	300,991	7,148,923	643,152	174,299	36,662	8,304,027
As at 31 March 2021	1,000	7,041,759	622,855	178,646	25,634	7,869,894

Freehold land and buildings include a specific property with a net book value of £684,279 (2021 - £707,548). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

Long leasehold include a specific property with a net book value of £48,953 (2021 - £73,432). The title deeds of this property contain provision such that on any eventual sale all the proceeds should be remitted to the relevant Health Authority.

14. STOCKS

	2022 £	2021 £
Equipment, publications and goods for resale	0	461

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	2,588,659	1,783,734
Other debtors	39,326	44,343
Prepayments and accrued income	1,218,587	889,929
	<u>3,846,572</u>	<u>2,718,006</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	373,908	344,485
Other creditors	620,246	364,684
Accruals	1,542,361	797,500
Deferred income	1,755,847	1,288,615
Taxation and social security	483,279	362,998
	<u>4,775,641</u>	<u>3,158,282</u>

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2022	2021
	£	£
Balance at 1 April	1,288,615	639,738
Fees deferred in the year	1,755,847	1,288,615
Fees released from previous years	(1,288,615)	(639,738)
Balance at 31 March	<u>1,755,847</u>	<u>1,288,615</u>

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Tangible fixed assets	7,570,794	733,233	8,304,027	7,088,915	780,979	7,869,894
Intangible fixed assets	0	0	0	0	0	0
Stock and debtors	3,846,573	0	3,846,573	2,718,467	0	2,718,467
Cash at bank (including short term investments)	10,496,814	267,655	10,764,469	11,140,825	225,181	11,366,006
Current liabilities	(4,775,641)	0	(4,775,641)	(3,158,282)	0	(3,158,282)
Pension liability	0	0	0	(163,000)	0	(163,000)
Total	17,138,540	1,000,888	18,139,428	17,626,925	1,006,160	18,633,085

19. TRUSTEES

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

The liability of each trustee is limited to £1 (2021 - £1).

Ten people served as Trustees in year (2021 - eight).

Notes to the Financial Statements For the Year Ended 31 March 2022

20. STATEMENT OF FUNDS

	As at 1 st Apr 2021	Income	Expenditure	Transfer	Investment gains or losses	Balance 31 st Mar 2022
	£	£	£	£	£	£
Unrestricted funds						
General funds	13,276,088	31,418,928	(32,070,314)	(1,055,004)	163,000	11,732,698
Designated funds	0	0	0	82,799	0	82,799
Operating cost reserve	4,350,837	0	0	972,205	0	5,323,042
Total unrestricted funds	17,626,925	31,418,928	(32,070,314)	0	163,000	17,138,539
Restricted funds						
Land and buildings	780,980	0	(47,747)	0	0	733,233
Revenue grants	225,180	162,372	(119,898)	0	0	267,654
Total restricted funds	1,006,160	162,372	(167,645)	0	0	1,000,887
Total funds	18,633,085	31,581,300	(32,237,959)	0	163,000	18,139,426
	As at 1 st Apr 2020	Income	Expenditure	Transfer	Investment gains or losses	Balance 31 st Mar 2021
	£	£	£	£	£	£
Unrestricted funds						
General funds	12,321,299	27,407,798	(26,451,088)	71,079	(73,000)	13,276,088
Designated funds						
Operating cost reserve	4,421,916	0	0	(71,079)	0	4,350,837
Total unrestricted funds	16,743,215	27,407,798	(26,451,088)	0	(73,000)	17,626,925
Restricted funds						
Land and buildings	828,727	0	(47,747)	0	0	780,980
Revenue grants	164,790	163,622	(103,232)	0	0	225,180
Total restricted funds	993,517	163,622	(150,979)	0	0	1,006,160
Total funds	17,736,732	27,346,265	(26,376,912)	0	(73,000)	18,633,085

21. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2022 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2022 £	2021 £
Operating lease commitments which are owed:		
Within one year	151,935	121,671
In two to five years	65,461	40,445
After five years	1,166	0
	218,562	162,116

PENSION

There are no defined contribution pension commitments not included in the balance sheet at the year end. See retirement Benefit Scheme note for details of defined benefit pension commitments.

Notes to the Financial Statements For the Year Ended 31 March 2022

22. RESTRICTED FUNDS

	Balance 1 st Apr 2021	Incoming resources	Outgoing resources	Balance 31 st Mar 2022
	£	£	£	£
Ashwood Court building	564,263	0	(23,268)	540,995
Ashwood Court land	143,284	0	0	143,284
Kingshill building	73,432	0	(24,478)	48,954
Palmyra grant	171,397	117,372	(72,690)	216,079
Carer Support Service Bolton grant	48,367	45,000	(47,209)	46,158
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	1,006,160	162,372	(167,645)	1,000,887

Ashwood Court land and buildings relates to a CQC registered care home and hospital.

Kingshill building is a CQC registered care home.

Palmyra grant is a health grant used to cover scheme deficits incurred.

Bolton CSW is money paid for delivering support to carers.

Bradford carer breaks is money paid to deliver breaks to carers.

Bradford carer training is money paid to deliver training to carers.

	Balance 1 st Apr 2020	Incoming resources	Outgoing resources	Balance 31 st Mar 2021
	£	£	£	£
Ashwood Court building	587,532	0	(23,269)	564,263
Ashwood Court land	143,284	0	0	143,284
Kingshill building	97,910	0	(24,478)	73,432
Palmyra grant	113,727	117,372	(59,702)	171,397
Carer Support Service Bolton grant	45,647	46,250	(43,530)	48,367
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	993,517	163,622	(150,979)	1,006,160

23. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

	2022 £	2021 £
Cash	3,212,074	4,716,208
Investments	7,552,395	6,649,798
Trade debtors	2,588,659	1,783,734
Other debtors	39,326	44,343
Accrued income	632,883	375,177
	<u>14,025,337</u>	<u>13,569,260</u>

FINANCIAL LIABILITIES

	2022 £	2021 £
Trade creditors	373,908	344,485
Other creditors	620,246	364,684
Accruals	1,542,361	797,500
	<u>2,536,515</u>	<u>1,506,669</u>

Notes to the Financial Statements For the Year Ended 31 March 2022

24. RECONCILIATION OF NET DEBT

Reconciliation to net cash flow to movement in net debt	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash and cash equivalents	4,716,208	(1,504,134)	0	3,212,074

25. RETIREMENT BENEFIT SCHEMES

Making Space operates nine pension schemes:

- (a) Five defined contribution personal pension schemes for employees not eligible to join the defined benefit schemes. The assets of these schemes are held separately from those of the Charity in funds under the control of Trustees. Contributions to the schemes are charged to the statement of financial activities when payable. The pension cost charge for the year in relation to these schemes amounted to £498,160 (2021 - £444,153).
- (b) National Health Service pension fund. This is a defined benefit pension scheme for all eligible employees. The assets of the Scheme are held separately by their National Health Service Superannuation Scheme. Contributions to the scheme are charged to the SOFA to spread the cost over the service lives of employees in the scheme. The pension scheme does not have a pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government. This extra cost is not met by contributions from Scheme members and employers. Contributions from both members and employers are paid to the Exchequer, which meet the costs of increasing benefits each year by the rate of inflation. Because of the nature of the pension scheme there are no separately identifiable assets and liabilities which can be identified as relating to Making Space, therefore as permitted by FRS 102, the scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £7,338 (2021: £7,800).
- (c) West Yorkshire Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements all additional contribution requirements are met by the funding authority. As a result of the nature of the contract this scheme is accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £0 (2021:£0).
- (d) The Lincolnshire Local Government Pension Fund. This is a defined benefit pension scheme for all eligible employees, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. The pension cost charge for the year amounted to £5,579 (2021: £10,124). The pension scheme has separately identifiable assets and liabilities relating to Making Space. The Scheme is now closed and Making Space has no financial liability in regards to this Pension Scheme.
- (e) Darlington Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements, the funding authority meets all additional contribution requirements. Because of the nature of the contract agreement, this scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £22,680 (2021: £226,919).

Notes to the Financial Statements For the Year Ended 31 March 2022

The amounts recognised in the balance sheet are as follows:

	2022 £'000	2021 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	588	448
Eliminated on cessation	(588)	0
Current service cost	0	11
Interest cost	0	10
Contributions by scheme participants	0	2
Actuarial losses	0	144
Benefits paid	0	(27)
	<hr/>	<hr/>
At the end of the year	0	588
	<hr/>	<hr/>
	2022 £'000	2021 £'000
Schemes wholly or partly funded	0	558
	2022 £'000	2021 £'000
Reconciliation of fair value of plan assets		
At the beginning of the year	425	361
Eliminated on cessation	(425)	0
Interest income on plan assets	0	8
Actuarial gains	0	71
Contributions by group	0	10
Contributions by scheme participants	0	2
Benefits paid	0	(27)
	<hr/>	<hr/>
At the end of the year	0	425
	<hr/>	<hr/>
	2022 £'000	2021 £'000
Fair value of plan assets	0	425
Present value of plan liabilities	0	588
	<hr/>	<hr/>
Net pension scheme liability	0	(163)
	<hr/>	<hr/>

Notes to the Financial Statements For the Year Ended 31 March 2022

	2022 £'000	2021 £'000
Amounts recognised in the SOFA are as follows:		
Included in administrative expenses:		
Current service cost	0	11
	0	11
	2022 £'000	2021 £'000
Amounts included in other finance costs		
Net interest cost	0	2
	0	2
	2022 £'000	2021 £'000
Analysis of actuarial loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	0	71
Deficit on transfer of scheme	0	0
Changes in financial assumptions	0	(144)
Changes in demographic assumptions	0	0
Other experience	0	0
	0	(73)
	2022 £'000	2021 £'000
Composition of plan assets – Lincolnshire LGPF		
European equities	0	305
European bonds	0	59
Property	0	44
Cash	0	17
	0	425
	2022 £'000	2021 £'000
Actual return on plan assets	0	79

Notes to the Financial Statements For the Year Ended 31 March 2022

	2022 %	2021 %
Principal actuarial assumptions used at the balance sheet date		
Discount rates	N/A	2.05
Future salary increases	N/A	3.15
Future pension increases	N/A	2.85
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates:		
- for a male aged 65 now	N/A	21.1
- at 65 for a male member aged 45 now	N/A	22.0
- for a female aged 65 now	N/A	23.6
- at 65 for a female member aged 45 now	N/A	25.0

26. RELATED PARTY TRANSACTIONS

There was £10,640 worth of related party transactions with Footsteps 2000 Ltd, which became a subsidiary of Making Space on 1st April 2021. These transactions relate to costs initially incurred by Making Space which have then been recharged to Footsteps 2000 Ltd. There are no amounts outstanding at the year end.

The following Trustees received reimbursed expenses for the year-end 31st March 2022:

Alan Teague	£72.00
Sarah Humphries	£78.30
Elaine Johnstone	£9.09

Key management personnel and trustee remuneration (£0) is covered in earlier notes.

27. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

28. PRIOR YEAR RESTATEMENT

Cash is placed on term deposit so that a deposit matures each quarter. As these deposits are typically placed for a 12 month term it has been determined that these fixed term investments are fixed assets rather than current assets. This has necessitated a prior year restatement of £6,649,798 of investments moving from current assets to fixed assets.

29. MONEY HELD ON TRUST

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space's bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,849 (2021: £56,843).

MAKING SPACE

England & Wales - Charity number 512907

Accounts



Making Space

Company Registration No: 01642033

Registered Charity No: 512907

**Annual Report & Financial Statements
2020-2021**

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Trustees' Annual Report Incorporating the Directors and Strategic Report

Chairman and Chief Executive Officer Introduction

Welcome to our annual report and accounts for 2020/2021, the first year of our new, 4 year strategic plan.

Our strategy for 2020-2024 was on schedule to be launched in March 2020, ready for the start of the new financial year. However, as the COVID-19 virus reached the UK, a pandemic was declared and we, along with many countries across the world, were propelled into a lockdown – a period of time that would be like nothing any of us have ever known.

All of our plans, priorities and efforts were shifted towards supporting and protecting the people around us, and ourselves, from what was quickly becoming a very dangerous, relentless virus.

The virus brought with it pain, loss, hurt, worry, sadness and frustration. But in such challenging times, kindness is always possible and kindness is something we do really well at Making Space. We could have put up barriers, but we didn't! Instead, we innovated and adapted to make sure people had access to what they needed to stay safe and well; we used technology to help people stay connected; and we improvised, excelled, challenged and continued to care.

In July 2020 we conducted a wellbeing survey with our colleagues. We wanted to understand how our colleagues were feeling, and how supported they felt in their role, at their service and from our leadership team. We are proud to say that:

- 88% felt supported to carry out their role during such challenging times
- 80% felt we were supporting their personal wellbeing
- 87% felt they had the correct resources and equipment to carry out their role safely and effectively
- 92% felt that communications issued from our leadership team kept them informed and reassured
- 90% felt that as an organisation we had responded well during the pandemic thus far

With further and localised COVID-19 restrictions, a change in our priorities and the additional pressure on our teams, we took the decision to postpone the official launch of our strategy. However, we were still able to progress with implementing many new projects that underpin our plan, including: launching our new vision, mission and values; working with partners to develop and launch new services across the North West; recruiting our digital Shine Champions; launching a new digital care planning solution; and developing a new, values-based, recruitment toolkit.

As restrictions continue to ease and we see some normality return to our lives, we look forward to making even more progress towards achieving our goals.

Public Benefit Disclosures

The Trustees of Making Space confirm that they have referred to the guidance contained in the Charity Commission's Guidance on public benefit when reviewing the charity's aims and objectives and in planning strategy and future activities. Our activities for 2020/21 continue to deliver public benefit by supporting individuals, their families and carers when facing the challenges associated with physical or mental illness or disability, learning disability and dementia. This support was delivered in residential and community settings and further delivered public benefit by easing the burden on COVID-19 stretched local authority and NHS services.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

We are Making Space

Making Space is a national charity and leading provider of health and social care services. We have been helping adults with care and support needs, and their carers, to lead independent and fulfilling lives since 1982.

We provide services from Cumbria to Cambridgeshire, supporting people in their own home, in their local community and with specialist care and support services.

Our caring and professional teams support adults with identified health or social care need(s), including:

- Common and/or complex mental health problems
- Learning disabilities
- Dementia
- People with age-related concerns
- Carers

We also support people who fund their own care and support to promote choice and wellbeing. Our services include:

- Residential and nursing homes
- Supported living and extra care services
- Floating support
- Independent hospitals
- Community support and social inclusion
- Employment and wellbeing
- Psychological therapies

We strive to go above and beyond for the people we support, helping them to live happy, fulfilling and enriched lives, with a focus on positive outcomes for each individual.

At Making Space, everything is done with dignity, respect and compassion for both the people we support and their families.

Vision

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

Mission

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

Trustees' Annual Report Incorporating the Directors and Strategic Report

Our Way of Working

Everything that we do at Making Space is done on the belief that:

- Everyone matters and deserves a chance
- Everyone has a voice which is worth listening to
- Anyone can be affected by poor health
- Poor health should not be a barrier to finding joy and purpose in life
- Support should be there for anyone who wants it
- Support should be there at the point, and in the form, that it is needed
- We can and do improve and change lives
- There is so much more still to do: the best is yet to come.

We live our values every day:

Our values determine who we are, how we live our lives, how we treat people and every decision that we make.

It is important for us as a health and social care provider to have the right values. It is even more important to have a workforce that shares these values.

We have 5 co-produced values that represent what we stand for. Each value has a clearly defined list of behaviours that help us to translate them into day-to-day actions.

Our co-produced values and behaviours:

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

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

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

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

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

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

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Having Courage: Committing bravely to working in ways that take us to new places

- We believe in doing the right thing
- We take action and speak up to make positive change
- We try new things
- We take managed risks together
- We accept and learn from our mistakes

Being Ready: Responding to whatever comes our way by moving forward together

- We anticipate change
- We use our knowledge and insight to plan ahead
- We nurture trust through authentic, honest communication
- We build collaborative relationships
- We never stop learning

Our services

- **Care and support at home**

We are passionate about supporting people to live well in their own homes. Whether their home with us is for a short time, a few years, or longer term. We do everything we can to ensure that person is happy, healthy and has care and support that is unique to them.

In our supported living services, tenants benefit from having their own tenancies and are supported to maximise their independence. We provide flexible levels of support personalised to each individual, with the aim of making a positive difference to their life. Support can be anything from a daily wellbeing check, to care and support a few hours per week or several hours per day. We can also help with benefits, budgeting, maintaining a tenancy and life skills.

Facilities, care and support will vary across our supported living services. Some schemes will be individual homes, while others could be self-contained flats within a shared building. Some of our services have been designed specifically for people living with mental conditions and/or learning disabilities.

We also have accommodation services that are shorter term for people that may have been discharged from hospital, to help them transition into living independently in their community.

Our extra care services provide housing with care for people aged 55 and over. Residents live in self-contained homes, with care staff available to help with personal care and providing meals. They offer community spaces, on-site care and often have on-site facilities such as hairdressers, gardens and bistros. Extra care is a great place to live for those seeking to continue living an independent lifestyle. Some of our extra care schemes have been developed with special consideration of those living with dementia.

For those that can no longer manage daily living at home, but do not need nursing care, our residential homes provide a safe place to call home. Here residents can continue to live well, socialise and enjoy active, meaningful lives. Our care teams provide personal care and support such as help with washing, dressing, toileting, administering medication and mobility. Some offer specialist support for mental health conditions and dementia.

Trustees' Annual Report Incorporating the Directors and Strategic Report

- **Community based services**

Our community services are tailored to the needs of each community, giving people and carers the support they need to help them stay well and keep active.

Across the country we have services in the community that support mental health, wellbeing, recovery, independence, self-care, learning, employment and social inclusion.

We work in partnership with many other local providers so that we can advise and refer the people we support to other groups and activities that could provide additional local support.

With our integrated approach to providing community services, we hope to provide care and support that is personalised, meaningful, and accessible and that helps people to avoid unnecessary hospital care.

- **Specialised services**

We have a number of services that provide specialist care, therapies and programmes for people living with complex dementia, mental health conditions and associated needs.

These services include our independent hospitals, and residential/nursing care homes. Our multidisciplinary teams provide a high level of specialist care all designed to meet peoples' needs and enhance their quality of life. These services can provide a long-term home or short-term respite. Admission criteria and duration of care available is specific to each service.

We also have a specialist team of qualified Psychological Wellbeing Practitioners who provide one to one support, computerised cognitive behaviour therapy and social prescribing to people who are experiencing common mental health problems.

- **Where we work**

Making Space operates across England and all services are supported by corporate services based in a head office, based in Warrington, in the heart of the North West of England. We are arranged into six geographical directorates, all led by a dedicated Regional Head of Operations experienced in managing a diverse portfolio of health and social care provision.

The majority of our provision is in the North of England with a growing presence and portfolio across the Midlands area. Each directorate delivers services across our continuum of support that is based in the local community, in people's homes and specialised support.

We are commissioned by Local Authorities and the NHS to provide services that meet the principles of the Care Act 2014, which is built upon reviews and reforms to provide a coherent approach to adult social care in England.

Trustees' Annual Report Incorporating the Directors and Strategic Report

Strategic Review

Objectives and Activities

Our strategy for 2020-2024 includes:

- A new logo that continues to represent our established identity while also representing how we have evolved
- A vision statement that shares our ambitious hopes for our people, charity and sector
- A mission statement that clearly shares why we exist
- 5 new co-produced values that shape our culture, the way we work and help us to achieve our vision and mission
- Our next strategic plan, underpinned by 4 strategic pillars, each with their own key aims and measures
- Strategic KPIs to help us measure the implementation of our longer-term strategy

Vision	We will put wellbeing at the heart of health and social care.			
Mission	Together we build relationships, connect communities and provide quality care as unique as the people we support.			
Values	Kind Hearts Tailor-Making Dreaming Big Having Courage Being Ready			
Strategic Pillars	Co-produced Services	Digital Capability	Care Designed for the Future	A dedicated and committed workforce
	Aim 1: Making it real service plans Aim 2: Making change - experts by experience Aim 3: Involvement in employee recruitment Aim 4: National event for people we support Aim 5: Increase the range of volunteer roles throughout the organisation that are person-centred and life enriching	Aim 1: Research, identify, design & implement an optimal digital infrastructure Aim 2: Developing the digital skills of our people Aim 3: Electronic care planning	Aim 1: Places to Call Home programme Aim 2: Shaping our destiny Aim 3: Investing to grow Aim 4: Learning from the best practice	Aim 1: Attracting the best people, with the right values in the right number Aim 2: Developing the skills of our people to fulfil their potential Aim 3: Supporting our people to give their best with wellbeing at the heart Aim 5: Leading through excellence

Trustees' Annual Report

Incorporating the Directors and Strategic Report

People we support

In the last twelve months we have supported 10,192 people across the country accessing the following services:

Service Type	No. of people using the services
Carer Support	1,397
Dementia	2,386
Dementia Cafes	1,440
Computerised Cognitive Behavioural Therapy	962
Day Care	2,105
Employment	98
Extra Care	443
Home/Domiciliary Care	41
Community Support Accommodation Provided	584
Community Support Accommodation Not Provided	430
Independent Hospitals	39
Nursing Homes	42
Registered Care Homes	225
Total	10,192

Volunteering and support to volunteers is a key aspect of our approach to supporting a broad range of people to stay connected to their own communities. During this year, our key focus has been the support of volunteers to stay connected and support their wellbeing during the pandemic. A range of volunteer opportunities were suspended due to lockdown and pandemic restrictions whilst other activities were developed to ensure contact, support and continued engagement was maintained. Making Space has 299 volunteers (410 in 2020) which reflects the numbers of people who either suspended their activities due to shielding or lockdown requirements or the changes to service provision in light of COVID-19. A comprehensive plan was co-produced with volunteers to enable people to return to volunteering as the restrictions of COVID-19 are lifted.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Strategic Activities and Key Performance Measures

Key deliverables for the year to 31 March 2021 were:

- **Increase the voice and visibility of the people we support into the governance of the organisation.**

During the year, Making Space maintained the commitment to involve people we support in staff recruitment, with 44% of posts having some form of user involvement and engagement. As part of our response to the Care Quality Commission's regulatory requirement to have a Service User Guide in place across registered services, a new guide and information handbook was co-produced and designed for use across Making Space. Additional support was provided to Making Change group members and volunteers throughout the COVID-19 period with positive feedback around online events and meetings.

- **Implement a phased digital support and care plan platform across specialist, residential and community based services.**

Following a comprehensive assessment of the market place, Nourish, an experienced provider of digital care plans was contracted to support the roll out of a project implementation plan. This is a key element of the Shine project, to enhance digital capabilities across the organisation and enhance the opportunities afforded through innovation and technology.

- **We will complete the Trusted Charity Level One self-assessment and accreditation process.**

Following changes to the National Council for Voluntary Organisations, the Trusted Charity programme was temporarily suspended pending the identification of a new provider. Making Space is commissioning a governance review from an alternative external provider.

- **We will review safeguarding and quality assurance processes in light of emerging regulatory changes and regulations.**

The Quality assurance Team reviewed all safeguarding and quality assurance processes, which resulted in improving online guidance and reporting processes. In addition a quality audit framework and regional dashboard has been introduced to give an overview of service performance on a quarterly basis.

- **Update our workforce reward and recognition strategy.**

This year we have been updating our reward and recognition strategy. We have increased the allowance for our cycle to work scheme and we have also introduced a car maintenance scheme. In January we launched Wagestream, a financial wellbeing initiative that helps colleagues to: track their pay in real time, stream 30% of earned wages when they need it, save money and access advice on managing money. So far, 22% of our employees have signed up to Wagestream, and we plan to increase this engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and have also put the preparations in place to introduce a life assurance benefit from the start of 2021/22.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards, Markel 3rd Sector Awards and Great British Care Awards and have 27 colleagues reaching the national and regional finals.

Trustees' Annual Report Incorporating the Directors and Strategic Report

- **Develop a new suite of key performance indicators which support the new strategic plan.**

We have now developed and agreed our key performance indicators for the coming year. These KPIs support our new strategic plan and can be found in 'Our Plans for 2021-2020' further on this report.

Key Performance Indicators

Performance in the year to 31 March 2021 is summarised in the following table:

Key Performance Indicator	Target	2021 Actual	Narrative
Service User Outcomes using Adult Social Care Outcomes Framework	>82.0%	86.0%	Achieved
CQC Compliance Overall Good or Better	>90.0%	100.0%	Achieved
Employee Engagement – at least 45% positive score from employee satisfaction survey	>45.0%	90.0%	Achieved
Employee Sickness	<5.0%	5.6%	This objective would have been achieved but for COVID-19
Employee Vacancies	<8.0%	6.3%	Achieved
Employee Stability Index	>76.8%	80.3%	Achieved
Mandatory Training Compliance	>90.0%	89.7%	Fallen just under target primarily due to COVID-19 restrictions on face-to-face training. This training is now being prioritised as face-to-face training resumes
Financial Surplus	>£780,372	£969,353	Achieved.
Income Growth	>3.0%	1.1%	Growth opportunities curtailed by reduced tender activity and by delays in the construction of new services due to COVID-19.

When agreeing KPIs with the Executive Management Team, Trustees look to set targets, which improve performance by benchmarking against industry average information and by looking for continuous improvement. Initially service user outcomes and Care Quality Commission compliance were benchmarked against industry averages. However, Making Space now look for continuous improvement in this area as performance is well above industry averages. Employee-related KPIs are benchmarked against care sector average information mainly derived from Skills for Care.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Financial Review

The Statement of Financial Activities (SOFA) for the year is set out within the financial statements. Total incoming resources increased by 1.1% in the year to £27,571,420. An operating surplus of £969,353 (2020: £507,787 surplus) was achieved. Income growth was curtailed in year due to the delay in building-related developments due to the pandemic. Tendering opportunities also reduced during the pandemic. The operating surplus held up due to the financial support offered by central government, local authorities and NHS funders which paid for the increasing costs associated with delivering services while mitigating COVID-19 risks.

A positive movement in funds of £896,353 (2020: £540,787 increase in funds) was achieved, after an actuarial loss on pensions of £73,000 (2020: £33,000 gain).

Cash in hand and on deposit rose by £2,062,991 to £11,366,006.

In the view of the Trustees, the finances of Making Space continue to be sound but in order to maintain this position in the future, efforts will continue to be made to secure new funding streams and to maintain and improve the value-for-money of Making Space services.

Investments

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk-averse policy to invest in cash with a number of credit-referenced UK registered banks.

Interest rate quotes are sought from credit-referenced banks each time cash is placed on deposit to meet the objective of maximising interest received from this limited number of banks.

Key Risks and Uncertainties

The Trustees are responsible for the management of risks faced by Making Space, working to an established risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks faced, prioritising risks in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The key controls used include:

- Comprehensive reports are monitored at regular, minuted Board and Committee meetings.
- Detailed terms of reference for all Committees and an approval process for all actions by the Board.
- Comprehensive strategic and operational planning, budgeting and management accounting.
- Clear organisational structure and lines of reporting.
- Formal written policies which are regularly reviewed.
- Clear authorisation and approval levels.
- Trustee approved risk management policy and associated procedures.

Trustees' Annual Report Incorporating the Directors and Strategic Report

The highest placed risks on Making Space's risk register and associated mitigating actions are as follows:

COVID-19 causing death or illness of the people we support or employees and potential financial and reputational damage

- Making Space has followed all guidance in regards to infection control measures and enhanced these measures where it thinks necessary. This has resulted in the implementation of a detailed operational risk register which identifies best practice ways of working to mitigate COVID-19 risks.
- Our insurers have been consulted on and kept informed of material COVID-19 related risks.
- Voids were identified as a possible financial risk, but occupancy remains high. Making Space continues to work closely with local commissioners to help avoid this void risk.
- Thus far, public sector buyers of Making Space services continue to fund any additional costs due to COVID-19. It is recognised that this funding cannot continue indefinitely, and public sector funding may be reduced going forward. Most Making Space services are those where there is a statutory obligation on local authorities or health bodies to fund, so it is reasonable to expect this funding to continue going forward. However, plans are in place to deliver some financially marginal, that are valuable to those who use them, in different and perhaps more cost-effective ways. Making Space has made greater use of technology to support people during the COVID-19 pandemic and this digitalisation of support will continue. A key tenet of Making Space's new strategic plan is the diversification of income streams beyond local authorities and health commissioners.

The effect of public sector funding cuts and the move away from block-to-spot contracts reduces Making Space's net income

- Delivering commissioner requirements by providing value-for-money services of a quality attractive to commissioners continues to deliver new business.
- Continue to maintain an operating cost reserve equivalent to 2 months' expenditure.
- Pro-active development of partnerships with other organisations to submit joint or consortia proposals.
- The diversification of income streams so that the charity is not almost wholly reliant on public sector funding has been delayed by COVID-19 but delivering privately funded services remains an objective.

Failure to attract and retain suitable skilled, qualified and experienced employees

- A three year people plan is in place which includes a range of approaches that will support the delivery of the strategic plan and our drive to become a preferred employer within the health and social care market.

Trustees' Annual Report

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Pension Liabilities

Making Space operates funded pension schemes that have both a defined benefit and defined contribution sections. Defined benefit schemes are closed to all but those employees transferred to Making Space under protected employment terms. The annually calculated notional surplus or deficit on the funding of Local Government Final Salary Pension Schemes is shown on the face of the Balance Sheet as a Pension Liability and as at 31 March 2021 stands at £163,000 (2020: £87,000 liability).

The Trustees believe that the schemes currently meet their funding requirements and the level of contributions to the schemes have been adjusted following detailed three yearly actuarial valuations.

The Trustees are aware of the volatile nature of the deficit calculation, and this deficit will vary depending on the assumptions made at the valuation date. The Trustees continue to adopt an appropriate funding strategy based on actuarial guidance.

Reserves

When reviewing our reserves policy this year, Trustees questioned whether a two-month 'Emergency Operating Reserve' remained sufficiently prudent in a COVID-19 environment and concluded a two-month reserve offered sufficient cover. For the year ended 31 March 2021 this equates to £4,350,837 (2020: £4,421,916).

The Trustees have considered the challenging funding environment within which Making Space operates and the impact of COVID-19 and have concluded that it is prudent to maintain the 'Emergency Operating Reserve' as a cash balance.

The balance of cash and short-term investments as at 31 March 2021 is £11,366,006. The Trustees believe that any available cash remaining after the setting aside of the emergency operating reserve should be invested in the development of new services. £7,015,169 (2020: £4,881,099) is therefore available to develop services. The commitment to use excess reserves to invest in new services has been delayed by COVID-19 but remains an objective.

Our free reserves figure (unrestricted reserves of £17,626,925) after fixed assets (£7,869,894), and emergency operating reserve (£4,350,837) are discounted is £5,406,194 (2020: £4,602,941).

Going Concern

In response to the pandemic, a COVID-19 risk assessment has been prepared and is regularly monitored by Trustees. Trustees identified occupancy levels as a significant risk at the start of the pandemic, but occupancy levels remain above average levels. Making Space has not been financially impacted in the same way as some other charities because, at least in part, it is not an elder care specialist, and does not rely on voluntary income or private fee payers. Additional COVID-19 costs have been funded by central Government or local authority and NHS commissioners. However, Trustees have considered likelihood of recurring COVID-19 costs when setting an emergency operating reserve of £4,350,837. Trustees looked at financial forecasts for the next three years and management accounts prepared since 31 March 2021 in determining that Making Space is a going concern.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Our Plans for 2021-22

We will:

- Launch “Making it Real” forums in each of our regions.
- Develop the digital skills of our workforce.
- Purchase property to provide support to people in the heart of their communities.
- Enhance our recruitment procedures through digital platforms.
- Develop a reward and recognition strategy which aims to highlight values-based behaviours.

Key Performance Indicators for the coming year

We will monitor and report on progress against key performance indicators and targets annually. The key performance indicators for the coming year will support our new 2020-2024 strategic plan.

Our Key Performance Indicators for 2021/22 are:

KPI	Benchmark	Target
1. Increase our digital ability to measure our impact and outcomes for the people we support.	% of services with electronic care plans in place against implementation target.	90% and above.
2. Provide high quality care for the people who use our services.	CQC compliance in top quartile % of services rated as good or above.	90% and above.
3. Ensure services are delivered in accordance with agreed performance and quality levels.	Service utilisation compared to contract requirements and actual hours delivered verses planned delivery hours.	80% and above.
4. Actively involving people we support in the design and delivery of services.	% of services with a 'Making it Real Plan' in place	70% and above.
5. Connecting people to their communities and others through volunteering.	% of services with volunteer roles, actual versus plan.	80% and above.
6. Listening to the people we support to improve our services.	% of services with service user feedback mechanisms in place.	80% and above.
7. Attract the right people with the right values in the right number.	Vacancy % compared to 2020 Skills for Care Report of 7.3%.	6.5% and below.
8. Have a workforce that feels valued and rewarded.	Turnover % compared to 2020 Skills for Care Report of 30.4%.	25% and below.
9. Develop our peoples' skills to their full potential.	Operational colleagues qualified to at least level two compared to 2020 Skills For Care Report of 48.0%	48.0% and above.
10. Maintain our financial viability.	Achieve agreed annual budget surplus of £1,173,249.	Better than budget.
11. Continue to grow so that our positive impact is felt more widely.	Achieve growth in income whilst generating a reasonable surplus.	Income greater than prior year.

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Administrative Details

Making Space is a charity (Registered charity number 512907) and a company limited by guarantee (Company Registration number 01642033).

Registered Office: 46 Allen Street, Warrington, Cheshire WA2 7JB.

Trustees

Names of all who served as Trustees during the reporting period, and up to the date of signing:

A Teague	Chair of the Trustees
A Broadhurst	
N Hormozi	
S Humphreys	
S Hull	
M Jenkinson	
E Johnstone	
K Porceddu	

Chief Officers of Making Space

Chief Executive:	R Peacock
Executive Director of Finance:	W Jones
Executive Director of Operations:	G Chisnall
Executive Director of Human Resources	P Orton
Executive Director of Quality and Compliance	P Dillon
Company Secretary	W Jones

Trustees' Annual Report Incorporating the Directors and Strategic Report

Solicitors

Hempsons Limited
100 Wood Street
London
EC2V 7AN

DAC Beachcroft LLP
100 Fetter Lane
London
EC4A 1BN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditor

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Bankers

Lloyds Bank Plc
Town Hill Warrington
WA1 2LP

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Structure, Governance and Management

Making Space is governed by its Memorandum & Articles of Association. It is an incorporated charity registered with the Charity Commission. There is a maximum of 16 Trustee positions on the Board. At the end of the year, 7 posts were filled. Trustees are elected at the Annual General Meeting (AGM) and hold office for 3 years, subject to the terms of the Memorandum & Articles of Association. Trustees can seek re-election for a further term of office up to a maximum of three terms of three years.

The Board has an active desire to recruit additional Trustees and applications or nominations for Trustee positions are received and reviewed by the Board against a skills matrix and role description, in accordance with the Trustee Recruitment Policy and Procedure. Prospective Trustees are interviewed to assess their competency and suitability for a Trustee position before gaining the support of the Board, prior to nomination and approval at the AGM. A comprehensive induction programme is implemented for each new Trustee, which includes visits to services, mentoring from Executive Officers and on-going support from the Chairman and other Board members.

Daily operational running of the organisation is delegated to the Chief Executive and the Executive Management Team based at Head Office in Warrington. The Head Office houses the Executive Management functions for finance, operations, human resources, and quality. During the year, the Chief Executive and the Executive Management Team presented reports regularly to the Board and Hospital Managers Committee and Quality and Assurance Committee on strategic and operational issues relevant to the Board's oversight of the organisation.

For the purposes of the Mental Health Act 1983 (MHA), Making Space is the detaining authority and therefore "Hospital Managers" for patients who may be detained under a section of the Mental Health Act, within our Independent Hospitals. The Board of Trustees as "Hospital Managers" are responsible for all the patients detained in the hospitals including in respect of the duties and powers to discharge patients. The Trustees have the power to appoint experienced "Associate Hospital Managers" to help them undertake their Hospital Manager responsibility.

In addition, the Trustees must ensure the responsibility and commitment of Making Space as the Registered Provider to evidence based care and treatment and quality of patient experience. All new and existing Trustees follow the agreed policies and procedures laid out in the Trustee Handbook. These include policies and procedures for effective induction of new Trustees and a thorough learning and development programme for all Trustees.

Trustee induction includes an introduction to The Charity Commission's Charity Governance Code and the seven pillars of good governance. The Charity Commission Code of Governance is adopted by the charity and Making Space is compliant in all areas. Trustees are introduced to their legal responsibilities by working through The Essential Trustee before getting an understanding of the seven principles of leadership, integrity, decision-making, risk and control, board effectiveness, diversity, openness, and accountability. These principles form the basis of how Making Space is governed and managed. This was assessed in the prior period and there has been no change in the current period. Trustees must complete online mandatory training.

A review of the pay of Executive Directors was undertaken using information from external data resources. The Board of Trustees and the CEO agreed the actual pay placing them within the appropriate range identified by these external resources.

The only Trustee role which it is possible to pay under Making Space governing documents is that of Chair. The Trustees took the decision in 2014 to start paying for the role of Chair. This decision was taken following legal advice and receiving Charity Commission approval. A remuneration rate of £10,000 per year was agreed following a benchmarking exercise with payments made to the Chairs of similar charities. The current Chair has chosen not to accept any remuneration.

Trustees' Annual Report

Incorporating the Directors and Strategic Report

Employee Engagement

We have continued working towards our 3 year people plan.

Following on from the review we undertook of our values last year, this year's work has focused upon launching our new values and embedding them throughout Making Space. To achieve this we have co-produced a set of underpinning behaviours which in turn have been used to communicate the values from our launch in August 2020. We have undertaken a widespread engagement programme for this using both video and social media as well as a number of embedding initiatives including a review of our recruitment tools and selection procedures. This work will continue throughout 2021.

In early 2021 we have undertaken a full employee survey where we received a strong response of 50%. The results were overwhelmingly positive across all five measures of our index with our friends and family test remaining high at over 90%. We used this opportunity to capture learning about working through the COVID pandemic and fair treatment at work. We have gone on to develop an action plan to respond to some of the findings particularly around leadership, reward and Equality & Diversity and will be holding a number of listening events to gain a more qualitative perspective.

We have continued to build upon our employee engagement hub and the number of employees registered with the platform has further grown to 55%. The number of recognitions posted from managers and colleagues has gone up from 700 to 1019, a 31% increase within the year. During the first national lockdown the platform received some of its heaviest usage to date as people expressed their gratitude to the work of their teams and colleagues. We are continuing to develop this method of engagement and have now included our new values within the platform.

We have continued to promote regular communications with our workforce through newsletters and social media. In particular over the past 12 months communication with the workforce has been key to us responding to the COVID pandemic and for employees feeling informed and reassured. We have provided regular communications from the EMT during the last year, this has been as frequently as weekly. We have increased the engagement of these communications by also sending through text messaging as well as email. This has been recognised through the employee survey as very successful over this period. We have also launched a regular video communications from the CEO as we continue to work on increasing the levels of engagement with our internal communications.

This year we said we would focus on updating our reward & recognition strategy which we have been working upon. Our package has been further enhanced over the last year with increasing the allowance for our cycle to work scheme and have introduced a car maintenance scheme. Wagestream, which enables employees to draw upon up to 30% of their salary as they earn was introduced in January 2021. The platform provides a hub of information and advice on financial wellbeing, financial management & savings. So far we have had a take up of 22% with plans to increase the engagement further. We have also increased our business mileage rates from 35p to 40p a mile for all employees and are also have put the preparations in place to introduce a life assurance benefit from the start of 2021/22.

To recognise the achievements of our employees we have again taken part in a number of external awards in the last year including the National Care Awards and Great British Care Awards and have a number of employees reaching the national and regional finals.

Trustees' Annual Report Incorporating the Directors' and Strategic Report

Positive about Disability

We are a Disability Confident Employer Level 1, this means that Making Space is taking action to ensure that people with disabilities and long term health conditions feel supported, engaged and able to fulfil their potential in the workplace.

These steps include offering interviews to all candidates who meet the minimum criteria for the role and being flexible with our recruitment processes. For example, allowing CV applications rather than only application forms where that's a supportive step and supporting flexible working patterns where possible. It also means that we take active steps to make adjustments in the workplace to support employees with disabilities. We also provide Equality & Diversity training including Dementia, learning disabilities and Mental Health awareness to our workforce.

Qualifying indemnity provisions

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

Related Parties and Co-production with other Organisations

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

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

Cash held on trust

The charity holds money, which is not material, on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts. The value held amounts to £56,843 (2020: £56,832).

Trustees' Annual Report Incorporating the Directors and Strategic Report

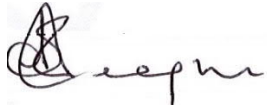
Statement as to disclosure of information to auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Making Space's auditor is unaware; and
- The Trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approve the Strategic Report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees



Alan Teague
Chair of Trustees

Date: 30th November 2021

Trustees' Responsibilities

The Trustees (who are also directors of Making Space for the purposes of company law) are responsible for preparing the Trustees' Annual report, which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

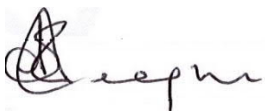
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved on behalf of the Board of Trustees



Alan Teague
Chair of Trustees

Date: 30th November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Making Space Limited ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of trustee responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the Charity and the sector in which it operates we considered the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recoverability of debtors, the actuarial assumptions in respect of the defined benefit pension schemes, the classification of leases, and the depreciation and impairment of fixed assets;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the Charity is complying with relevant legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAKING SPACE – CONT...

recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

HELEN KNOWLES

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Helen Knowles (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

13 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES**(Incorporating the summary income and expenditure account)****Year ended 31 March 2021**

	Note	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		142,750	0	142,750	40,102
Charitable activities	2,8	27,187,897	163,622	27,351,519	26,867,848
Other trading activities	3	4,020	0	4,020	8,476
Investments	4	67,360	0	67,360	93,332
Other	5	5,771	0	5,771	29,530
TOTAL INCOME AND ENDOWMENTS		27,407,798	163,622	27,571,420	27,039,288
RESOURCES EXPENDED					
Charitable activities	7,8,10	26,451,088	150,979	26,602,067	26,531,501
TOTAL EXPENDITURE		26,451,088	150,979	26,602,067	26,531,501
NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES)		956,710	12,643	969,353	507,787
Actuarial gains/(losses) on defined benefit pension schemes	20	(73,000)	0	(73,000)	33,000
NET MOVEMENT IN FUNDS		883,710	12,643	896,353	540,787
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		16,743,215	993,517	17,736,732	17,195,945
TOTAL FUNDS CARRIED FORWARD	20	17,626,925	1,006,160	18,633,085	17,736,732

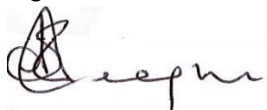
All the above results derive from continuing operations. All gains and losses recognised in the year are included above.

BALANCE SHEET

As at 31 March 2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible assets	13	7,869,894	7,718,357
TOTAL FIXED ASSETS		<u>7,869,894</u>	<u>7,718,357</u>
CURRENT ASSETS			
Stock	14	461	477
Debtors	15	2,718,006	3,091,090
Investments, cash and cash equivalents		6,649,798	6,100,500
Cash at bank and in hand		4,716,208	3,202,515
TOTAL CURRENT ASSETS		<u>14,084,473</u>	<u>12,394,582</u>
LIABILITIES			
Creditors: amounts falling due within one year	16	(3,158,282)	(2,289,207)
NET CURRENT ASSETS		10,926,191	10,105,375
TOTAL ASSETS LESS CURRENT LIABILITIES		18,796,085	17,823,732
Defined benefit pension scheme liability	18	(163,000)	(87,000)
TOTAL NET ASSETS		<u>18,633,085</u>	<u>17,736,732</u>
THE FUNDS OF THE CHARITY			
Restricted funds	18, 20, 22	1,006,160	993,517
Unrestricted funds	18, 20	17,626,925	16,743,215
TOTAL CHARITY FUNDS	20	<u>18,633,085</u>	<u>17,736,732</u>

The financial statements of Making Space (Limited by Guarantee), company number 01642033 and charity number 512907, were approved by the Trustees and authorised for issue on 18th November 2021 and signed on its behalf by:


Alan Teague

Chair of Trustees

Date of Signing: 30th November 2021

CASHFLOW STATEMENT**Year Ended 31 March 2021**

	Total funds	Prior year funds
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	2,419,054	799,455
Cash flows from investing activities:		
Dividends, interest and rents from investments	67,360	93,332
Proceeds from the sale of property, plant and equipment	425,660	0
Purchase of property, plant and equipment	(849,083)	(1,104,558)
Proceeds from sale of investments	(549,298)	0
Net cash provided by (used in) investing activities	<u>1,513,693</u>	<u>(211,771)</u>
Change in cash and cash equivalents in the reporting period	1,513,693	(211,771)
Cash and cash equivalents at the beginning of the reporting period	3,202,515	3,414,286
Cash and cash equivalents at the end of the reporting period	<u>4,716,208</u>	<u>3,202,515</u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities	Current Year	Prior Year
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	896,353	540,787
Adjustments for:		
Depreciation charges	271,886	440,251
Dividends and interest from investments	(67,360)	(93,332)
Deficit on sale of fixed assets	0	0
Decrease in stocks	16	817
Decrease/(increase) in debtors	373,084	(44,531)
Increase/(decrease) in creditors	869,075	(24,537)
(Increase)/decrease in pension liability	76,000	(20,000)
Net cash provided by (used in) operating activities	<u>2,419,054</u>	<u>799,455</u>

Analysis of cash and cash equivalents	Current Year	Prior Year
	£	£
Cash in hand	4,716,208	3,202,515
Notice deposits (less than 3 months)	0	0
Overdraft facility repayable on demand	0	0
Total cash and cash equivalents	<u>4,716,208</u>	<u>3,202,515</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

Company status

Making Space is a private company, limited by guarantee, and a charity, registered and incorporated in England & Wales, under the Companies Act and Charity Act.

The Trustee Report includes the address of the registered office and details the principal activities of the charity.

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP 2019 (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The particular policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding year.

Making Space meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

In response to the pandemic, a COVID-19 risk assessment has been prepared and is regularly monitored by Trustees. Trustees identified occupancy levels as a significant risk at the start of the pandemic, but occupancy levels remain above average levels. Making Space has not been financially impacted in the same way as some other charities because, at least in part, it is not an elder care specialist, and does not rely on voluntary income or private fee payers. Additional COVID-19 costs have been funded by central Government or local authority and NHS commissioners. However, Trustees have considered likelihood of recurring COVID-19 costs when setting an emergency operating reserve of £4,350,837. Trustees looked at financial forecasts for the next three years and management accounts prepared since 31 March 2021 in determining that Making Space is a going concern. Making Space has free reserves in excess of the emergency operating reserve of £5,406,194 and still anticipates to make annual operating surpluses in excess of £1 million a year in each of the next three years. In the five months ending August 2021 Making Space has made a surplus of £511,988. The emergency operating reserve will be maintained as a minimum cash balance which is supported by forecast cash flows.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements, the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the provision for bad debt. All debts over five months old are treated as doubtful debts.

Other key sources of estimation uncertainty include:

The actuarial assumptions in respect of defined benefit pension schemes - The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Classification of leases - whether leases entered into as lessee, is operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

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

Incoming resources

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

Grants, rents and service charges receivable

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

Furlough

Monies received under the furlough scheme are accounted for under an accruals basis.

Donations

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

Investment income

Investment income is accounted for when receivable.

Cash at bank and cash in hand includes cash in the current bank account.

Investments consist of cash held on deposit for periods of twelve months.

As a matter of policy, the Trustees review annually the investment strategies of Making Space. The Trustees have endorsed a continuation of the risk averse policy to invest in cash with a number of credit-referenced UK registered banks.

Legacies

Legacies and donations are accounted for when conditions for their receipt have been met. The Charity regards a legacy as receivable when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Resources expended

Resources expended are recognised in the period in which they are incurred and are gross of irrecoverable

VAT. The Charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity. When costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Costs of generating funds

Costs of generating funds include all expenditure directly related to the objects of the Charity and comprises:

Charitable activities

This comprises the costs associated with providing supported housing, residential homes, independent hospitals, carer support, crisis houses, psychological therapies and social inclusion services.

Governance costs

Governance costs represents expenditure incurred in the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Cash held on trust

The charity holds money on behalf of service users both in cash and in Making Space bank account. Making Space has no control over this and it is therefore excluded from the accounts.

Unrestricted funds

General unrestricted funds

General unrestricted funds represent funds, which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds comprise unrestricted funds, which have been put aside at the discretion of the Trustees.

Tangible Fixed Assets

Fixed assets (with the exception of freehold land) are stated at cost less depreciation and are capitalised above £500.

Repairs and maintenance are charged to the SOFA during the period in which they are incurred.

Depreciation is provided on the following tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Leasehold buildings	4% per annum or the term of the lease if less than 25 years
Land	Not depreciated
Freehold buildings	2% per annum
Fixtures and equipment	20% per annum
Motor vehicles	25% per annum
Computers	20% per annum

Pension costs

Pension schemes operated by the Charity are as follows:

(a) Defined benefit scheme

Making Space has employees in four defined benefit schemes.

The expected cost of providing pensions in this scheme, as calculated periodically by professionally qualified actuaries, is charged to the SOFA to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

(b) Making Space contributes to five group personal pension schemes.

Contributions are charged to the SOFA account when payable.

Termination Policy

Termination benefits are provided for when the charity offers voluntary redundancy before normal retirement date or when the charity decides to terminate employment. Termination benefits in accordance with FRS 102, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for slow moving or obsolete items where appropriate.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the

present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Government grants

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

Financial instruments

Debtors and creditors

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

Cash and cash equivalents

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

Allocation of support costs

Support costs are allocated based on contract size.

Interest receivable

Interest is recognised using the effective interest method.

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Head Office	5,161	0	5,161	220,984	0	220,984
Residential care homes and independent hospitals	9,313,258	117,372	9,430,630	10,232,257	117,372	10,349,629
Employment services	0	0	0	169,310	0	169,310
Social inclusion services	1,554,092	0	1,554,092	1,407,052	0	1,407,052
Improve access to psychological therapies	350,505	0	350,505	349,910	0	349,910
Carer support	458,293	46,250	504,543	451,334	45,000	496,334
Community dementia services	780,860	0	780,860	793,485	0	793,485
Supported housing	10,972,412	0	10,972,412	9,884,313	0	9,884,313
Home care services	3,528,161	0	3,528,161	3,196,831	0	3,196,831
Furlough	225,155	0	225,155	0	0	0
Total	27,187,897	163,622	27,351,519	26,705,476	162,372	26,867,848

3. INCOME FROM OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Rental income	4,020	8,476
	<u>4,020</u>	<u>8,476</u>

4. INCOME FROM INVESTMENTS

	2021	2020
	£	£
Interest received	67,360	93,332
	<u>67,360</u>	<u>93,332</u>

5. OTHER INCOMING RESOURCES

	2021	2020
	£	£
Management fees	0	18,316
Miscellaneous income	5,771	11,214
	<u>5,771</u>	<u>29,530</u>

6. GOVERNMENT GRANTS

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

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2021
	£	£	£	£	£
Head office	0	0	3,154,047	51,792	3,205,839
Residential care homes and independent hospitals	8,457,785	0	0	0	8,457,785
Employment services	0	0	0	0	0
Social inclusion	1,352,831	0	0	0	1,352,831
Improve access to psychological therapies	308,304	0	0	0	308,304
Carer support	441,845	0	0	0	441,845
Community dementia support	702,149	0	0	0	702,149
Supported housing	8,662,794	0	0	0	8,662,794
Home Care Services	3,245,365	0	0	0	3,245,365
Total	23,171,073	0	3,154,047	51,792	26,376,912
Unrestricted	23,020,094	0	3,154,047	51,792	26,225,933
Restricted	150,979	0	0	0	150,979
Total	23,171,073	0	3,154,047	51,792	26,376,912
	Direct costs	Grant funding of activities	Support costs	Governance costs	Total 2020
	£	£	£	£	£
Head office	0	0	3,350,180	67,162	3,417,342
Residential care homes and independent hospitals	9,585,137	0	0	0	9,585,137
Employment services	129,548	0	0	0	129,548
Social inclusion	1,272,425	0	0	0	1,272,425
Improve access to psychological therapies	317,664	0	0	0	317,664
Carer support	435,614	0	0	0	435,614
Community dementia support	706,043	0	0	0	706,043
Supported housing	7,841,837	0	0	0	7,841,837
Home Care Services	2,825,891	0	0	0	2,825,891
Total	23,114,159	0	3,350,180	67,162	26,531,501
Unrestricted	22,939,604	0	3,350,180	67,162	26,356,946
Restricted	174,555	0	0	0	174,555
Total	23,114,159	0	3,350,180	67,162	26,531,501

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

	Income	Costs	Net cost funded from other income	Income	Costs	Net cost funded from other income
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Head office	5,161	3,154,047	(3,148,886)	220,984	3,350,180	(3,129,196)
Governance costs	0	51,792	(51,792)	0	67,162	(67,162)
Residential care homes and independent hospitals	9,430,630	8,457,785	972,845	10,349,639	9,585,137	764,492
Social inclusion	1,554,092	1,352,831	201,261	1,576,362	1,401,973	174,389
Improve access to psychological therapies	350,505	308,304	42,201	349,910	317,664	32,246
Carer support	504,543	441,845	62,698	496,334	435,614	60,720
Community dementia support	780,860	702,149	78,711	793,485	706,043	87,442
Supported housing	10,972,412	8,662,794	2,309,618	9,884,303	7,841,837	2,042,476
Extra care including homecare	3,528,161	3,245,365	282,796	3,196,831	2,825,891	370,940
Furlough	225,155	225,155	0	0	0	0
Total	27,351,519	26,602,067	749,452	26,867,848	26,531,501	336,347

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Support costs	Governance costs	Total costs	Support Costs	Governance costs	Total costs
	2021	2021	2021	2020	2020	2020
	£	£		£	£	£
Chief Executive	198,306	0	198,306	207,236	0	207,236
Business Services	211,865	0	211,865	221,183	0	221,183
Finance	396,795	0	396,795	349,701	0	349,701
Development	266,623	0	266,623	206,578	0	206,578
IT	458,483	0	458,483	380,560	0	380,560
Human resources	476,524	0	476,524	463,765	0	463,765
Marketing	206,271	0	206,271	168,585	0	168,585
Quality assurance	375,503	0	375,503	309,478	0	309,478
Central management	236,213	0	236,213	183,597	0	183,597
Membership, Voluntary and User Inclusion	40,888	0	40,888	523,042	0	523,042
Other	286,576	0	286,576	336,454	0	336,454
Audit fees and accountancy costs	0	35,900	35,900	0	40,767	40,767
Trustee costs	0	14,892	14,892	0	25,395	25,395
Trustee indemnity insurance	0	1,000	1,000	0	1,000	1,000
Total	3,154,047	51,792	3,205,839	3,350,180	67,162	3,417,342

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total
	2021	2021	2021	2021
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	19,337,980	6,940,409	271,886	26,550,275
Governance costs	11,185	40,607	0	51,792
Total resources expended	19,349,165	6,981,016	271,886	26,602,067

	Staff costs	Other	Depreciation	Total
	2020	2020	2020	2020
	£	£	£	£
Charitable expenditure				
Direct charitable expenditure	18,944,691	7,079,397	440,251	26,464,339
Governance costs	16,099	51,063	0	67,162
Total resources expended	18,960,790	7,130,460	440,251	26,531,501

11. NET INCOMING/ (OUTGOING) RESOURCE

	2021	2020
	£	£
Net incoming/(outgoing) resources for the year are stated after charging/(crediting):		
Rentals under operating leases	242,783	165,570
Depreciation of tangible fixed assets - owned	271,886	440,251
(Surplus)/deficit on disposal of fixed assets	0	0
Auditor's remuneration for the audit of the Charity's annual accounts	32,000	30,000

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2021	2020
	£	£
Staff costs comprise:		
Wages and salaries	16,739,531	15,967,128
Agency costs	836,183	1,342,948
Social security costs	1,183,360	1,127,464
Pension costs	492,087	494,215
Termination and redundancy costs	98,004	29,035
	<u>19,349,165</u>	<u>18,960,790</u>

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

	Number of actual employees 2021	Number of actual employees 2020
Management	29	30
Administration	45	46
Operational	915	875
	<u>989</u>	<u>951</u>

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

	2021	2020
£60,000 to £70,0000	1	0
£80,000 to £90,000	4	4
£110,000 to £120,000	0	1
£120,000 to £130,000	1	0
	<u>6</u>	<u>5</u>

Retirement benefits are accruing under a defined contribution scheme for these six employees (2020: five). Total contributions paid in year for the six employees was £72,035 (2020: £70,136).

PENSION COSTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

There are also defined benefit pension schemes, which are disclosed in Note 24.

TERMINATION AND REDUNDANCY COSTS

£98,004 has been paid in redundancy costs due to a restructure and contracts being downsized or ended.

TRUSTEE EXPENSES

Professional indemnity insurance has been taken out on behalf of Trustees at a cost of £1,000 (2020 - £1,000).

The secretarial and administrative cost of the Board of Trustees was £14,891 (2020 - £25,395) for the nine Trustees in post (2020 – eleven). Within this total an amount of £72 was paid to Trustees as expenses (2020 - £1,048).

No remuneration was paid to any trustee this year (2020 also nil).

KEY MANAGEMENT COSTS

Key management personnel for the charity is made up of unpaid Trustees and the five strong Executive Management Team. The total employee benefits of the Executive Management Team was £478,014 (2020 - £453,136).

13. TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

	Assets under construction	Freehold land and buildings	Long leasehold property	Fixtures and equipment	Motor vehicles	Total tangible fixed assets
	£	£	£	£	£	£
Cost						
As at 1 April 2020	890,652	7,607,708	2,259,226	249,305	114,620	11,121,511
Additions	1,000	669,140	0	178,943	0	849,083
Disposals	(5,660)	(688,374)	0	(46,728)	(58,791)	(799,553)
Transfer	(884,992)	884,992	0	0	0	0
As at 31 March 2021	1,000	8,473,466	2,259,226	381,520	55,829	11,171,041
Accumulated depreciation						
As at 1 April 2020	0	1,560,323	1,565,289	200,122	77,420	3,403,154
Charge for the year	0	139,758	71,082	49,480	11,566	271,886
Disposals	0	(268,374)	0	(46,728)	(58,791)	(373,893)
Transfers	0	0	0	0	0	0
As at 31 March 2021	0	1,431,707	1,636,371	202,874	30,195	3,301,147
Net book value						
As at 31 March 2021	1,000	7,041,759	622,855	178,646	25,634	7,869,894
As at 31 March 2020	890,652	6,047,385	693,937	49,183	37,200	7,718,357

Freehold land and buildings include a specific property with a net book value of £707,548 (2020 - £730,816). The title deeds of this property contain provision such that on any eventual sale all proceeds should be remitted to the relevant Health Authority.

Long leasehold include a specific property with a net book value of £72,432 (2020 - £97,910). The title deeds of this property contain provision such that on any eventual sale all the proceeds should be remitted to the relevant Health Authority.

14. STOCKS

	2021	2020
	£	£
Equipment, publications and goods for resale	461	477

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	1,783,734	2,172,553
Other debtors	44,343	4,672
Prepayments and accrued income	889,929	913,865
	2,718,006	3,091,090

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	344,485	302,128
Other creditors	364,684	503,145
Accruals	797,500	514,798
Deferred income	1,288,615	639,738
Taxation and social security	362,998	329,398
	3,158,282	2,289,207

17. DEFERRED INCOME AND AMOUNTS INVOICED IN ADVANCE

	2021	2020
	£	£
Balance at 1 April	639,738	638,730
Fees deferred in the year	1,288,615	639,738
Fees released from previous years	(639,738)	(638,730)
Balance at 31 March	1,288,615	639,738

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Tangible fixed assets	7,088,915	780,979	7,869,894	6,889,631	828,726	7,718,357
Intangible fixed assets	0	0	0	0	0	0
Stock and debtors	2,718,467	0	2,718,467	3,091,567	0	3,091,567
Cash at bank (including short term investments)	11,140,825	225,181	11,366,006	9,138,224	164,791	9,303,015
Current liabilities	(3,158,282)	0	(3,158,282)	(2,289,207)	0	(2,289,207)
Pension liability	(163,000)	0	(163,000)	(87,000)	0	(87,000)
Total	17,626,925	1,006,160	18,633,085	16,743,215	993,517	17,736,732

19. TRUSTEES

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

The liability of each trustee is limited to £1 (2020 - £1).

Nine people served as Trustees in year (2020 - eleven).

20. STATEMENT OF FUNDS

	As at 1 st Apr 2020	Income	Expenditure	Transfer	Investment gains or losses	Balance 31 st Mar 2021
	£	£	£	£	£	£
Unrestricted funds						
General funds	12,321,299	27,407,798	(26,451,088)	71,079	(73,000)	13,276,088
Designated funds						
Operating cost reserve	4,421,916	0	0	(71,079)	0	4,350,837
Total unrestricted funds	16,743,215	27,407,798	(26,451,088)	0	(73,000)	17,626,925
Restricted funds						
Land and buildings	828,727	0	(47,747)	0	0	780,980
Revenue grants	164,790	163,622	(103,232)	0	0	225,180
Total restricted funds	993,517	163,622	(150,979)	0	0	1,006,160
Total funds	17,736,732	27,346,265	(26,376,912)	0	(73,000)	18,633,085
	As at 1st Apr 2019	Income	Expenditure	Transfer	Investment gains or losses	Balance 31st Mar 2020
	£	£	£	£	£	£
Unrestricted funds						
General funds	11,892,796	26,876,916	(26,356,946)	(124,467)	33,000	12,321,299
Designated funds	0	0	0	0	0	0
Operating cost reserve	4,297,449	0	0	124,467	0	4,421,916
Total unrestricted funds	16,190,245	26,876,916	(26,356,946)	0	33,000	16,743,215
Restricted funds						
Land and buildings	876,473	0	(47,746)	0	0	828,727
Revenue grants	129,227	162,372	(126,809)	0	0	164,790
Total restricted funds	1,005,700	162,372	(174,555)	0	0	993,517
Total funds	17,195,945	27,039,288	(26,531,501)	0	33,000	17,736,732

21. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2021 the Charity had total future minimum commitments under non-cancellable operating leases as set out below:

	2021 £	2020 £
Operating lease commitments which are owed:		
Within one year	121,671	103,494
In two to five years	40,445	34,623
After five years	0	0
	162,116	138,117

PENSION

There are no defined contribution pension commitments not included in the balance sheet at the year end. See retirement Benefit Scheme note for details of defined benefit pension commitments.

22. RESTRICTED FUNDS

	Balance 31st Mar 2020	Incoming resources	Outgoing resources	Balance 31st Mar 2021
	£	£	£	£
Ashwood Court building	587,532	0	(23,269)	564,263
Ashwood Court land	143,284	0	0	143,284
Kingshill building	97,910	0	(24,478)	73,432
Palmyra grant	113,727	117,372	(59,702)	171,397
Carer Support Service Bolton grant	45,647	46,250	(43,530)	48,367
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	993,517	163,622	(150,979)	1,006,160

Ashwood Court land and buildings relates to a CQC registered care home and hospital.

Kingshill building is a CQC registered care home.

Palmyra grant is a health grant used to cover scheme deficits incurred.

Bolton CSW is money paid for delivering support to carers.

Bradford carer breaks is money paid to deliver breaks to carers.

Bradford carer training is money paid to deliver training to carers.

	Balance 1st Apr 2019	Incoming resources	Outgoing resources	Balance 31st Mar 2020
	£	£	£	£
Ashwood Court building	610,800	0	(23,268)	587,532
Ashwood Court land	143,284	0	0	143,284
Kingshill building	122,388	0	(24,478)	97,910
Palmyra grant	70,185	117,372	(73,830)	113,727
Carer Support Service Bolton grant	53,626	45,000	(52,979)	45,647
Bradford Carer Breaks grant	275	0	0	275
Bradford Carer Training grant	5,142	0	0	5,142
	1,005,700	162,372	(174,555)	993,517

23. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Cash	4,716,208	3,202,515
Investments	6,649,798	6,100,500
Trade debtors	1,783,734	2,172,553
Other debtors	44,343	4,672
	<u>13,194,083</u>	<u>11,480,240</u>

FINANCIAL LIABILITIES

	2021	2020
	£	£
Trade creditors	344,485	302,128
Other creditors	364,684	503,145
Accruals	797,500	514,798
	<u>1,506,669</u>	<u>1,320,071</u>

Reconciliation of net debt

Reconciliation to net cash flow to movement in net debt	At 1 April 2020	Cash flows	Other changes	At 31 March 2021
	£	£	£	£
Cash and cash equivalents	3,202,515	1,513,693	0	4,716,208

24. RETIREMENT BENEFIT SCHEMES

Making Space operates nine pension schemes:

- (a) Five defined contribution personal pension schemes for employees not eligible to join the defined benefit schemes. The assets of these schemes are held separately from those of the Charity in funds under the control of Trustees. Contributions to the schemes are charged to the statement of financial activities when payable. The pension cost charge for the year in relation to these schemes amounted to £444,153 (2020 - £434,165).
- (b) National Health Service pension fund. This is a defined benefit pension scheme for all eligible employees. The assets of the Scheme are held separately by their National Health Service Superannuation Scheme. Contributions to the scheme are charged to the SOFA to spread the cost over the service lives of employees in the scheme. The pension scheme does not have a pension fund, but as a statutory scheme, benefits are fully guaranteed by the Government. This extra cost is not met by contributions from Scheme members and employers. Contributions from both members and employers are paid to the Exchequer, which meet the costs of increasing benefits each year by the rate of inflation. Because of the nature of the pension scheme there are no separately identifiable assets and liabilities which can be identified as relating to Making Space, therefore as permitted by FRS 102, the scheme has been accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £7,800 (2020: £9,224).
- (c) West Yorkshire Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements all additional contribution requirements are met by the funding authority. As a result of the nature of the contract this scheme is accounted for as a defined contribution scheme. The pension cost charge for the year amounted to £0 (2020:£0).
- (d) The Lincolnshire Local Government Pension Fund. This is a defined benefit pension scheme for all eligible employees, and the related costs are assessed in accordance with the advice of professionally qualified actuaries. The scheme is now closed to new membership from the Charity. The pension cost charge for the year amounted to £10,124 (2020: £11,456). The pension scheme has separately identifiable assets and liabilities relating to Making Space. The last full actuarial valuation was carried out as at 31st March 2017.
- (e) Darlington Pension Fund. This is a defined benefit scheme for all eligible employees. Under TUPE agreements, the funding authority meets all additional contribution requirements. Because of the

nature of the contract agreement, this scheme has been accounted for as a defined contribution scheme.

The pension cost charge for the year amounted to £26,919 (2020: £26,371).

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£'000	£'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	448	487
Transfer in acquired scheme obligation	0	0
Current service cost	11	22
Interest cost	10	12
Contributions by scheme participants	2	3
Actuarial losses	144	(72)
Benefits paid	(27)	(4)
	<hr/>	<hr/>
At the end of the year	588	448
	<hr/>	<hr/>
	2021	2020
	£'000	£'000
Schemes wholly or partly funded	588	448
	<hr/>	<hr/>
Reconciliation of fair value of plan assets		
At the beginning of the year	361	380
Transfer in acquired scheme assets	0	0
Interest income on plan assets	8	10
Actuarial gains	71	(39)
Contributions by group	10	11
Contributions by scheme participants	2	3
Benefits paid	(27)	(4)
	<hr/>	<hr/>
At the end of the year	425	361
	<hr/>	<hr/>
	2021	2020
	£'000	£'000
Fair value of plan assets	425	361
Present value of plan liabilities	588	448
	<hr/>	<hr/>
Net pension scheme liability	(163)	(87)
	<hr/>	<hr/>

	2021 £'000	2020 £'000
Amounts recognised in the profit and loss amount are as follows:		
Included in administrative expenses:		
Current service cost	11	22
	<u>11</u>	<u>22</u>

	2021 £'000	2020 £'000
Amounts included in other finance costs		
Net interest cost	2	2
	<u>2</u>	<u>2</u>

	2021 £'000	2020 £'000
Analysis of actuarial loss recognised in other comprehensive income		
Actual return less interest income included in net interest income	71	(39)
Deficit on transfer of scheme	0	0
Changes in financial assumptions	(144)	72
Changes in demographic assumptions	0	0
Other experience	0	0
	<u>(73)</u>	<u>33</u>

	2021 £'000	2020 £'000
Composition of plan assets – Lincolnshire LGPF		
European equities	305	235
European bonds	59	83
Property	44	40
Cash	17	3
	<u>425</u>	<u>361</u>

	2021 £'000	2020 £'000
Actual return on plan assets	79	(29)

	2021	2020
	%	%
Principal actuarial assumptions used at the balance sheet date		
Discount rates	2.05	2.3
Future salary increases	3.15	2.1
Future pension increases	2.85	1.8
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates:		
- for a male aged 65 now	21.1	21.4
- at 65 for a male member aged 45 now	22.0	22.4
- for a female aged 65 now	23.6	23.7
- at 65 for a female member aged 45 now	25.0	25.2

25. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year

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The following Trustees received reimbursed expenses for the year-end 31st March 2021:

Alan Teague £72.00

Key management personnel and trustee remuneration (£0) is covered in earlier notes.

26. POST BALANCE SHEET EVENTS

There are no post balance sheet events.