

The Fairness Foundation
(A charitable company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
30 April 2022

The Fairness Foundation (Limited by Guarantee)

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The Fairness Foundation (Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

GOVERNING INSTRUMENT AND LEGAL STATUS

The organisation is a private charitable company limited by guarantee and registered in England and Wales, incorporated on 25 March 1994 and registered as a charity on 14 February 1995.

DIRECTORS/TRUSTEES

J Richer
F Crook
P Gladwell
E D Revie

CHIEF EXECUTIVE OFFICER

W Snell (Appointed 01 September 2021)

REGISTERED & PRINCIPAL OFFICE

Stephen Lawrence Centre
39 Brookmill Road
London
England
SE8 4HU

AUDITOR

RSM UK Audit LLP
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

BANKERS

Barclays Bank plc
29 Borough High Street
London SE1 1LY

COMPANY REGISTRATION NUMBER

02912767

CHARITY REGISTRATION NUMBER

1044174

The Fairness Foundation (Limited by Guarantee)

TRUSTEES' REPORT

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ended 30 April 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Fairness Foundation is a company limited by guarantee governed by the Memorandum and Articles of Association dated 25 March 1994. It is also registered as a charity.

The Fairness Foundation was established in 1994 as an independent grant-giving foundation. It was initiated by the founder of Richer Sounds Limited.

The Fairness Foundation changed its name from Fairness Foundation in January 2021. Before December 2020 it was known as The Persula Foundation.

ORGANISATION

A Board of Trustees administers the charity with day-to-day management of the charity being carried out by Will Snell, Chief Executive.

TRUSTEES

The following Trustees have held office during the year and up to the date of approval of the financial statements:

J Richer
D Robinson (Resigned: 15/11/2021)
Mrs R Richer (Resigned: 12/11/2021)
Mrs H Oppenheim (Resigned: 15/11/2021)
R Rosenthal (Resigned: 12/11/2021)
D Ward (Resigned: 12/11/2021)
P Gladwell (Appointed: 09/11/2021)
E D Revie (Appointed: 12/11/2021)
F Crook (Appointed: 15/11/2021)

RECRUITMENT AND APPOINTMENT OF TRUSTEES

As set out in the Articles of Association, there should be a minimum of three members of the board. The Board of Trustees meet regularly to administer the charity. The Trustees ensure that they are aware of developments to governance best practice and developments in the wider charity sector. Recruitment and appointment of new Trustees is based upon an appraisal of the skills and experience required by the charity. New Trustees are given induction and guidance by the existing Board members. All Trustees have given their time voluntarily and receive no benefits from the charity.

Remuneration of the charity's key management personnel is agreed by the Chair of the charity utilising current market levels of pay reward for similar positions in similar organisations as a benchmark. The Executive's salary shall be reviewed by the Chair annually.

The Fairness Foundation (Limited by Guarantee)

TRUSTEES' REPORT (continued)

OBJECTIVES AND ACTIVITIES

The objects of the Foundation are to support charitable organisations and to develop original charitable projects. Up until November 2021, the main activities of the charity were to provide grants to other charitable organisations. Since November 2021, the main activities of the charity have been to promote fairness as an organising principle for a good society in the UK. This includes promoting the sharing of research into, and the education of the public in, the economic, social and political sciences, public services, and industry and commerce; promoting civic responsibility and good citizenship by encouraging debates about the role of fairness in society; and promoting the efficiency and effectiveness of charities and the effective use of charitable resources by encouraging greater collaboration and sharing of information between charitable organisations.

PUBLIC BENEFIT

The Trustees have had due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

ACHIEVEMENTS AND PERFORMANCE

Up until November 2021, the charity focused on providing donations to other charitable organisations, as well as adding value to those beneficiaries in any other ways possible.

In November 2021, the charity relaunched with its new mission to promote fairness as an organising principle for a good society in the UK. It launched its new website, fairnessfoundation.com, where it published a report, *The Fair Necessities*, which laid out its vision of a fair society and its proposed definition of fairness. It also recruited an editorial board and an expert contributors network. In January 2022, the charity started to publish a weekly email, *Fair Comment*, analysing developments in politics, economics and society from a fairness perspective. In March 2022, work began on the design and development of the *Fairness Index*, a web-based tool to examine and explain the nature, causes and consequences of key inequalities in the UK.

Our donations in the year to our main priorities have been as follows:

Fair Society/Citizenship	16 donations	£ 439,163
Children	8 donations	£ 246,000
Miscellaneous	13 donations	£ 62,711
Animal Welfare	18 donations	£ 56,877
Human Welfare	7 donations	£ 51,000
Human Rights	6 donations	£ 48,000
Prisoner Support	4 donations	£ 30,500
Environment	1 donation	£ 30,000
Other donations	2 donations	£ 27,928
Medical	7 donations	£ 24,974
Disabilities	4 donations	£ 16,000
Migrant/Refugees	2 donations	£ 9,000
Mental Health	2 donations	£ 7,000
Women Support	1 donation	£ 2,250
Storytelling	1 donation	£ 285
Total donations		£ 1,051,688

The Fairness Foundation (Limited by Guarantee)

TRUSTEES' REPORT (continued)

Ten Year Grant History

The total grants given by The Fairness Foundation over the last ten years has been as follows:

April 2013	£ 682,163
April 2014	£ 845,349
April 2015	£ 1,608,435
April 2016	£ 1,306,537
April 2017	£ 1,308,868
April 2018	£ 1,259,092
April 2019	£ 1,356,149
April 2020	£ 1,773,494
April 2021	£ 942,750
April 2022	<u>£ 1,051,688</u>
	£12,134,525

GRANT-MAKING POLICY

Up until November 2021, the charity considered applications from a variety of charitable organisations for funding. Applications were reviewed and levels of grants payable were decided upon by the Trustees in accordance with the charity's objects. After November 2021, the charity's grant-making activity ceased.

FINANCIAL REVIEW

The activities of the year to 30 April 2022 are set out in the Statement of Financial Activities on page 10. The position at the end of the year is shown in the Balance Sheet on page 11.

The principal funding source of the charity was from donations from Richer Sounds Limited, which currently aims to give 15% of its profits each year to charity. The Trustees are satisfied with the activities for the year which show a deficit of £ 465,762 (2021: £455,270 surplus). The reason for the deficit this year is the change in the charity's activities from grant-making to research and education, as a result of which the charity donated its reserves at the date of change to the Persula Foundation a charitable organisation that will be continuing the grant giving activity. Going forward, the charity will be funded by grants from the Persula Foundation.

RESERVES POLICY

The Foundation's policy with regard to reserves is to maintain adequate funds to deal with current and medium-term needs. At the end of the current year, the unrestricted general fund was in surplus by £34,191 (2021: £499,953). The charity does not have a reserves policy that requires it to hold a minimum amount of reserves at all times. The reason that the trustees consider holding reserves to be unnecessary is that the charity's costs are fully funded by the Persula Foundation. Expenditure is managed so as not to exceed the income provided in the form of grants from the Persula Foundation, any unplanned expenditure is secured in the form of a supplementary grant from the Persula Foundation before it is committed to. The charity does not expect to find itself in a situation in which unplanned expenditure must be made without such supplementary funding being made available to cover it.

INVESTMENT POWERS

There are no specific investment powers, save that the income and property of the charity, from whatever source derived, shall be applied solely towards the promotion of its objects as stated in the Memorandum and Articles of Association.

The Fairness Foundation (Limited by Guarantee)

TRUSTEES' REPORT (continued)

RISK MANAGEMENT AND ROLE OF TRUSTEES

The Trustees have made an assessment of the risks to which the Foundation is exposed, in particular business, operational and financial, and procedures and reporting are in place to manage and reduce the identified risks.

Procedures are in place to review identified and new risks on a regular basis.

The main business risk to the charity is the reliance on donations from the Persula Foundation. The Trustees of the Persula Foundation have made it clear that they are committed to providing funding to the charity for the foreseeable future so that it can continue in operation.

FUTURE DEVELOPMENTS

The Foundation will continue to carry out research, policy, advocacy and communications work in pursuit of their mission to promote fairness as an organising principle for a good society in the UK. This will include deepening our networks among research, policy and campaigning partner organisations, engaging with politicians, reaching out to both audiences and to the wider public through events and weekly emails, and collating and communicating the evidence on how fair Britain is through the publication and dissemination of the Fairness Index.

RELATED PARTIES

The charity has a close relationship with Richer Sounds Limited, which provides various back-office functions such as finance and payroll. It also has a close relationship with the Persula Foundation, which provides the funding to enable the charity to carry out its charitable activities. A summary of transactions with these parties is set out in note 10 to the financial statements.

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision is in place for the benefit of all Trustees.

AUDITOR

From the next financial year onwards, the charity's accounts will be audited by Godfrey Wilson Ltd.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board



Julian Richer
Trustee

26/01/23

The Fairness Foundation (Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Fairness Foundation (Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FAIRNESS FOUNDATION

Opinion

We have audited the financial statements of The Fairness Foundation (the 'charitable company') for the year ended 30 April 2022 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Cashflow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2022 and of its incoming resources and application of resources, including 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 charitable 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 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 other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report and Financial Statements. 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.

The Fairness Foundation (Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FAIRNESS FOUNDATION

(Continued)

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 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 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 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 misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, 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 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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

The Fairness Foundation (Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FAIRNESS FOUNDATION

(Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date 27 January 2023

The Fairness Foundation (Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
for the year ended 30 April 2022

	Notes	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Income:			
Donations and gifts	1	661,090	1,416,876
Government grants	1	-	4,561
Total income		<u>661,090</u>	<u>1,421,437</u>
Expenditure:			
Expenditure on charitable activities	2	<u>1,126,852</u>	<u>966,167</u>
Total expenditure		<u>1,126,852</u>	<u>966,167</u>
Net (expenditure)/income for the year		<u>(465,762)</u>	<u>455,270</u>
Net movement in funds	9	(465,762)	455,270
Funds balance brought forward at 1 May 2021	9	<u>499,953</u>	<u>44,683</u>
Funds balance carried forward at 30 April 2022	9	<u><u>34,191</u></u>	<u><u>499,953</u></u>

The Fairness Foundation (Limited by Guarantee)

BALANCE SHEET
as at 30 April 2022

Charity Registration No. 1044174
Company No. 02912767

	<i>Notes</i>	2022 £	2021 £
CURRENT ASSETS			
Debtors	7	20,000	-
Cash at bank and in hand		84,625	550,183
		<u>104,625</u>	<u>550,183</u>
CREDITORS: Amounts falling due within one year	8	(70,434)	(50,230)
NET CURRENT ASSETS		<u>34,191</u>	<u>499,953</u>
NET ASSETS		<u>34,191</u>	<u>499,953</u>
UNRESTRICTED FUNDS	9	<u>34,191</u>	<u>499,953</u>

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

Approved by the Board and authorised for issue on 26/01/23

and signed on its behalf by



Julian Richer
Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Fairness Foundation (Limited by Guarantee)

CASHFLOW STATEMENT

for the year ended 30 April 2022

	2022 £	2021 £
<i>Cash used in operating activities</i>		
Net movement in funds	(465,762)	455,270
Adjustments for:		
(Increase) / Decrease in debtors	(20,000)	-
Increase / (Decrease) in creditors	20,204	(123,199)
Net cash (used in)/from operating activities	(465,558)	332,071
Change in cash and cash equivalents in the year	(465,558)	332,071
Cash and cash equivalents brought forward	550,183	218,112
Cash and cash equivalents carried forward	84,625	550,183
Analysis of change in net funds		
Cash at bank and in hand 1 May 2021	550,183	218,112
Cash flow in the year	(465,558)	332,071
Cash at bank and in hand 30 April 2022	84,625	550,183

The Fairness Foundation (Limited by Guarantee)

ACCOUNTING POLICIES

for the year ended 30 April 2022

BASIS OF ACCOUNTING

The financial statements 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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Fairness Foundation 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 notes.

The financial statements are presented in sterling, which is also the functional currency of the charity. The accounts are rounded to the nearest £.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

GENERAL INFORMATION

The Fairness Foundation is a private charitable company limited by guarantee, incorporated and registered in England and Wales. The address of The Fairness Foundation's principal place of business is given on page 1. The nature of The Fairness Foundation's activities are set out in the Trustees' report.

GOING CONCERN

The nature of the organisation is such that its only obligation it has to meet is its staff costs and minimal overheads. The Persula Foundation have made a funding commitment which will cover ongoing costs for a period of at least 12 months from the date of approval of the financial statements. The Trustees have evaluated this funding commitment and have not identified any material uncertainties in this regard. As a consequence, the Trustees believe the charity is well placed to manage its business risks and there are no material uncertainties in relation to going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

Voluntary Income

Income from donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Investment income

Interest and dividends are included when receivable by the charity.

Government Grants

Income from government grants, whether capital grants or revenue grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

The Fairness Foundation (Limited by Guarantee)

ACCOUNTING POLICIES (continued)

for the year ended 30 April 2022

EXPENDITURE

Expenditure is recognised when a liability is incurred. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Charitable expenditure

Comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure includes governance costs which are those costs associated with the meeting and the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Grants payable

For grants, where the achievement of the grant conditions is in the hands of the grantee, the entire grant is recognised as expenditure in the year in which the grant is formally approved by the Trustees and has been communicated in writing to the recipient. Where the Trustees retain sufficient direction in determining whether future grant instalments will be paid, grants are recognised when all conditions are satisfied.

TAXATION

No provision has been made for corporation tax as the charity's charitable status renders it exempt from UK direct taxation.

FUNDS

Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and available as general funds.

CREDITORS

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees consider that there have been no critical estimates and judgements in the year.

The Fairness Foundation (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2022

1	INCOME FROM DONATIONS AND GIFTS	2022	2021
		£	£
	Corporate donors	660,212	1,416,876
	Individuals	878	-
	Government grants	-	4,561
		<u>661,090</u>	<u>1,421,437</u>
	All income received in both years is unrestricted income.		
2a	EXPENDITURE ON CHARITABLE ACTIVITIES	2022	2021
		£	£
	Expenditure relating to specific projects		
	Project expenditure	1,051,688	942,750
	Governance costs (see note 3)	34,765	18,673
		<u>1,086,453</u>	<u>961,423</u>
2b	SUPPORT COSTS	2022	2021
		£	£
	Salaries (see note 4)	40,399	4,744
		<u>40,399</u>	<u>4,744</u>
	TOTAL EXPENDITURE	<u>1,126,852</u>	<u>966,167</u>
2c	PROJECT EXPENDITURE – Significant grants payable	2022	2021
		£	£
	EXPENDITURE RELATING TO SPECIFIC PROJECTS		
	Fair Society	439,163	449,564
	Children	246,000	41,562
	Miscellaneous	62,711	220
	Animal Welfare	56,877	98,869
	Human Welfare	51,000	-
	Human Rights	48,000	137,729
	Prisoner Support	30,500	81,500
	Environment	30,000	-
	Other donations	27,928	-
	Medical	24,974	30,000
	Disabilities	16,000	20,000
	Migrant/Refugees	9,000	24,075
	Mental Health	7,000	6,000
	Women Support	2,250	50,231
	Storytelling	285	-
	Bullying	-	3,000
		<u>1,051,688</u>	<u>942,750</u>

The Fairness Foundation (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 April 2022

2c	PROJECT EXPENDITURE – Significant grants payable (continued) The following significant grants of more than £20,000 have been awarded in the year:	2022 £	2021 £
	ASB Help	80,000	140,000
	ACT435	20,000	-
	Article 39	20,000	-
	Compassion in World Farming	-	20,000
	Crossroads Women's Centre	-	35,000
	Good Business Foundation	40,000	175,000
	Hope and Homes for Children	205,000	20,000
	Hickman and Rose	7,500	42,000
	League against Cruel Sports	21,000	20,000
	Liberty	-	20,000
	Parallel Histories	25,000	20,000
	Persula Foundation	284,167	-
	Prisoners Advice Service	17,500	35,000
	Soil Association	30,000	-
	Tax Watch	50,000	60,000
		<u> </u>	<u> </u>
	All grants payable in 2022 and 2021 have been made to institutions. All expenditure in both years is unrestricted expenditure.		
3	GOVERNANCE COSTS	2022 £	2021 £
	Insurance	1,639	816
	Legal expenses	16,099	10,597
	Travel and subsistence	1,363	-
	Bank charges	227	60
	Audit	7,440	7,200
	Sundry	7,997	-
		<u> </u>	<u> </u>
		34,765	18,673
		<u> </u>	<u> </u>
4	EMPLOYEES	2022 No.	2021 No.
	The average monthly number of persons employed by the Foundation during the year was:		
	Office and management	1	1
		<u> </u>	<u> </u>
		2022 £	2021 £
	Staff costs of the above person:		
	Wages and salaries	34,654	4,697
	Social Security Costs	4,864	-
	Pension costs	881	47
		<u> </u>	<u> </u>
		40,399	4,744
		<u> </u>	<u> </u>

The Fairness Foundation (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 April 2022

4 EMPLOYEES (continued)

No employee earned more than £60,000 in 2022 (2021: none).

No Trustee received any remuneration during the year (2021: £nil). Expenses reimbursed during the year in respect of travelling and subsistence costs to meetings amounted to £1,363 (2021: £nil). The Charity has paid a premium of £1,639 (2021: £816) with respect to indemnity insurance for its Trustees.

The key management personnel of the charity comprise the Trustees and the CEO. The total employee benefits of the key management personnel of the Foundation were £40,399 (2021: £nil).

5 NET EXPENDITURE FOR THE YEAR

	2022	2021
	£	£

The net expenditure for the year is stated after charging:

Auditor's remuneration – statutory audit	6,750	6,200
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	<u>6,750</u>	<u>6,200</u>
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6 TAXATION

No liability to corporation taxation arises as The Fairness Foundation claims exemption under the provisions of Section 505 Income and Corporation Taxes Act 1988.

7 DEBTORS

	2022	2021
	£	£

Other debtors	20,000	-
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	<u>20,000</u>	<u>-</u>
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8 CREDITORS: Amounts falling due within one year

	2022	2021
	£	£

Other creditors	70,434	10,230
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Accruals	-	40,000
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	<u>70,434</u>	<u>50,230</u>
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The Fairness Foundation (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 April 2022

9	UNRESTRICTED FUNDS – GENERAL FUND	2022 £	2021 £
	Balance brought forward at 1 May 2021	499,953	44,683
	Net movement in funds for the year	(465,762)	455,270
	Balance carried forward at 30 April 2022	34,191	499,953

10 RELATED PARTY TRANSACTIONS

Name of party	Relationship	Description of transaction	Value of transactions in the year		Balance at year end (creditor)/debtor	
			2022 £	2021 £	2022 £	2021 £
Richer Sounds Limited	Common Trustees/Directors	Donations	658,205	1,416,876	-	-
Richer Sounds Limited	Common Trustees/Directors	Purchases	-	-	(67,714)	(10,230)
Richer Sounds Foundation	Richer Sounds Limited is sole member	Purchases/Donations	-	-	20,000	-
Persula Foundation	Common Trustee (J Richer)	Grant Paid	284,152	-	(2,720)	-
ASB Help	Common Trustee (J Richer)	Grant Paid	80,000	140,000	-	-
ACT 435	Common Trustee (J Richer)	Grant Paid	20,000	-	-	-
TaxWatch	Director (J Richer)	Grant Paid	50,000	60,000	-	-
Good Business Foundation	Common Trustee (J Richer)	Grant Paid	40,000	175,000	-	(40,000)