FAIR WAYS FOUNDATION

England & Wales · Charity number 1159854

Details

Status	Registered
Legal form	Charitable company
Company number	08979945
Registered	2015-01-08
Register	View on the Charity Commission register

Contact

Address	Building 1000 Western Road Portsmouth Hampshire PO6 3EN
Phone	02380230400
Email	rob.jesson@fairways.co
Website	www.fairways.co

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO PROMOTE THE UPBRINGING AND CARE OF CHILDREN AND YOUNG PEOPLE IN NEED INCLUDING WITHOUT LIMITATION BY:1) ADVANCING EDUCATION;2) PROMOTING HEALTH;3) RELIEVING FINANCIAL AND OTHER HARDSHIP; AND4) PROVIDING RECREATIONAL AND LEISURE TIME ACTIVITY, IN THE INTERESTS OF SOCIAL WELFARE AND IN A MANNER WHICH IS DESIGNED TO IMPROVE THE CONDITIONS OF LIFE,WITH A VIEW TO ADVANCING SUCH CHILDREN AND YOUNG PEOPLE IN LIFE AND HELPING THEM TO DEVELOP THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS INDEPENDENT, MATURE AND RESPONSIBLE INDIVIDUALS.

Activities: The Foundation objectives are to: Address social exclusion, Improve health and wellbeing, Promote education and literacy, Support vulnerable children and young people and Support vulnerable people and families. This is delivered through Administering annual grant funding and education bursaries to support young people who would cannot access or qualify for this funding. Please refer to Website

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** Education/training, Accommodation/housing
- **Who:** Children/young People

Geography

- Powys
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£580,582	£975,104	£1,895,585	0
2023-10-31	£538,427	£575,486	£2,290,107	0
2022-10-31	£514,300	£1,372,202	£2,327,166	0
2021-10-31	£2,909,883	£1,411,197	£3,185,068	0
2020-10-31	£14,968,306	£14,333,497	£3,501,029	306

Trustees

Name	Role	Appointed
Anne Segall	Chair	2015-08-20
Adrian Fry		2018-04-09
Diana Cree		2021-12-17

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FAIR WAYS FOUNDATION

England & Wales - Charity number 1159854

Accounts

Registered number: 08979945
Charity number: 1159854

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2024

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 OCTOBER 2024

Trustees	Ms Diana Cree, Trustee Mr Adrian Fry, Trustee Ms Anne Segall, Trustee
Company registered number	08979945
Charity registered number	1159854
Registered office	Building 1000 Western Road Portsmouth PO6 3EN
Company secretary	Mr Malcolm Rule
Independent auditors	Azets Audit Services Ashcombe Court Woolsack Way Godalming GU7 1LQ
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2024

The Trustees present their annual report together with the audited financial statements of the Company for the 1 November 2023 to 31 October 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of the Charity are to create long term financial stability and good governance and to be a good landlord. The Charity primarily supports the activities of Fair Ways Community Benefit Society (FWCBS), a children's services charity. The objectives closely align with those of FWCBS:
- Raise the standards across health care, social care and education,
- Reach more Young People and support them across a range of services, and
- Change the Perceptions of Young People in Care

b. Strategies for achieving objectives

The Charity holds the key assets used by Fair Ways Community Benefit Society (FWCBS). These include properties utilised by FWCBS for which rents are charged in accordance with the leases in place.

As reported in last year's Trustees' Report, a review was commissioned in 2023 to consider the merger of Fair Ways Foundation and Fair Ways Community Benefit Society to present the organisation as a single charity to avoid confusion in the target markets and provide better efficiencies and economies of scale. This work has progressed well in 2024 to make this a reality.

Following the review, the Trustees were of the opinion that the Charitable Objects of Fair Ways Foundation would be better achieved by the transfer of its Charitable Undertakings to FWCBS. This will result in all existing assets and liabilities being transferred.

Legal and professional advisors were appointed to ensure the necessary regulatory compliance was achieved and discussions have taken place with landlords and lenders. At the end of 2024, the work was drawing to a conclusion; no barriers to the merger have arisen, Charity Commission approval has been received and the formal transfer of assets and liabilities of Fair Ways Foundation to FWCBS is expected to conclude in early 2025.

Strategic report

Achievements and performance

a. Main achievements of the Company

The Trustees continue to have an active interest in the performance and progress of Fair Ways Community Benefit Society (FWCBS).

The Trustees commend the efforts of all staff in FWCBS for the performance of the organisation. Key themes are noted as follows:

Financial Performance: The closure of Athelstan Place, the mental health residential home, together with the downturn in fostering placements led to a challenging financial environment in 2023-24. The Foundation was pleased to support FWCBS with a £250k grant to support the conversion of Athelstan Place in to a Residential Family Centre.

Property Development: Trustees have actively considered the further development of Fair Ways estate to prioritising the expansion and refurbishment of several existing assets to increase capacity and deliver services to a greater number of Children and young people.

During 2023-24 the Foundation sold its property in Bournemouth and used the proceeds to fund the £250k grant to FWCBS to support the opening of a Residential Family Centre in Southampton. The Foundation acquired a previously leased property in Portsmouth, used for Supported Living in order to secure the financial viability of the service.

b. Quality of services

The Charity considers it is paramount that FWCBS delivers a high standard of care and education to all service users. FWCBS has robust internal quality audits and health and safety processes in place to ensure these high standards are achieved. During the year to 31 October 2024 all regulatory standards were met or exceeded. The trustees were pleased to note that all Fair Ways regulated services achieved a Good or Outstanding rating.

c. Review of activities

During the year the Board met regularly to review how best to fulfil the Foundation's objectives which included the ongoing work to merge with CBS.

d. Fundraising activities and income generation

The Charity does not employ fundraisers.

e. Investment policy and performance

The Trustees continued to look for and act on opportunities to invest in the acquisition of properties suitable for the provision of services to support the charitable activities of the Charity.

Strategic report (continued)

Financial review

In 2023-24 income was £581k compared to £538k for the previous year. Expenditure was £975k in 2023-24 compared to £575k in the previous year.

Overall, there was a net deficit of £395k in 2023-24 compared to a net deficit of £37k in the previous year. A £250k grant was awarded to FWCBS in 2023-24; no grants were awarded in the previous year.

Income for the year was mainly from rents charged to Fair Ways Community Benefit Society in their provision of care and education for vulnerable children, young people and families.

As well as the £250k grant awarded to FWCBS (mentioned above), expenditure for the year included £200k for rents paid to third party landlords before passing that rent on to Fair Ways CBS; interest costs on loans (£323k) and legal and professional, audit, accounting and insurance costs (£131k). There was also a £12k management fee paid to FWCBS for central support services provided to the Foundation. Expenditure is stated after accounting for a £95k loss on the revaluation of the Stoneham Lane property owned by Catral Ltd and a £77k profit on the sale of the Bournemouth property. The Foundation does not employ any staff.

a. Reserves policy

Fair Ways Foundation reviews its Reserves Policy regularly including an annual review by Trustees. The policy is structured such that the Foundation can maintain its Reserves at a sufficient level to ensure long term financial sustainability including protection against the risks that have been identified.

This Reserves Policy sets out the target free reserves level between a minimum and maximum range and the key principles by which the Foundation will manage any excesses or deficits compared to the target. The aim is to strike the appropriate balance between ensuring a sustainable financial position and using the Foundation's funds to fulfil the charitable objectives.

Free reserves represent unrestricted general funds and so exclude endowment funds, restricted funds and funds that have been designated by Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use. For the purposes of this reserve policy, Fair Ways Foundation free reserves are identified as its total cash balances.

The Reserves Policy is aligned with the Foundation's Strategy approved by Trustees. This included recognition that the Foundation does not intend on making any significant grants in the foreseeable future.

In 2023/24 the policy was to maintain free reserves of between £234k and £468k. The purpose of the reserve is to ensure that the Foundation can be confident of meeting its short-term loan obligations with Unity Bank. The range is calculated based on a minimum of 6 months and a maximum of 12 months loan repayments.

The Foundation's actual cash reserves at 31 October 2024 was £166k. This was below the target range. Given the planned transfer of assets and liabilities to FWCBS, Trustees do not consider this a cause for concern.

b. Going concern

As explained on page 2, the Trustees expect to see the assets and liabilities of Fair Ways Foundation transfer to Fair Ways CBS during the financial year ending 31 October 2025. The Trustees consider that under both the historical cost basis and the break-up basis of accounting, the financial position of the company remains consistent, and the financial statements reflect the realisation of the Foundation's assets and discharge of its liabilities through to anticipated closure.

c. Principal risks and uncertainties

The principal risks to the Charity, for the year in question are considered to be local authority cost constraints that could impact the services provided by FWCBS and the risk of damage to that organisation's excellent reputation in the provision of services to children and young people. The Trustees are satisfied that the principal and other risks are mitigated appropriately though the implementation of FWCBS risk strategy.

Within the Charity the principal risk is considered to be the financial stability of the charity and ensure that the quality of the estate held remains fit for purpose.

d. Financial risk management objectives and policies

The Charity maintains a cautious policy of developing services and building reserves. The Reserves Policy has an underlying principle to maintain an appropriate level of reserves in relation to its recurring expenditure.

Structure, governance and management

a. Constitution

Fair Ways Foundation is a company limited by guarantee governed by a Deed of Governance dated 20 October 2014 and by its Memorandum and Articles of Association dated 4 April 2014. It is registered as a charity with the Charity Commission, registered charity number 1159854.

b. Methods of appointment or election of Trustees

Trustees determine the skill set and experience required for an effective board, and search for suitable candidates, using external advertising and recruitment agencies when appropriate. Candidates are interviewed, references taken and are subject to DBS checks prior to appointment for an initial term of 3 years which can on election be extended for a further 3 and then a final 3 years.

c. Organisational structure and decision-making policies

The Trustees meet quarterly to review information prepared by management and other relevant documentation presented to them and make any decisions required.

d. Policies adopted for the induction and training of Trustees

All Trustees are given a bespoke induction course tailored to add to their prior experience. Further opportunities for continuing professional development courses as a Trustee are also provided. In the year considerable work was undertaken to further develop the induction processes for new trustees.

Structure, governance and management (continued)

e. Pay policy for Trustees

All Trustees give of their time freely and are not remunerated.

f. Related party relationships

The Charity has Trustees in common with, provides grants to, and owns premises operated by Fair Ways Community Benefit Society, which provides high quality social care and education services.

g. Trustees' indemnities

The Trustees are covered by a qualifying third-party indemnity policy. This policy was in place for all Trustees for the whole of the financial year.

Plans for future periods

During 2024 the Trustees have progressed work to merge Fair Ways Foundation with FWCBS.

The Trustees had previously commissioned a detailed review to merge Fair Ways Foundation and Fair Ways Community Benefit Society, on the basis that presenting the organisation as a single charity will avoid confusion in the target markets and provide better efficiencies and economies of scale.

Following the review the Trustees are of the opinion that the Charitable Objects of Fair Ways Foundation would be better achieved by the transfer of its Charitable Undertakings to Fair Ways Community Benefit Society. This will result in all existing assets and liabilities being transferred.

Work is progressing well with legal advisors, landlords and lenders and expectations are that such a transfer will be completed prior to 31 October 2025.

Engagement with employees and employment of the disabled

The Charity does not have any direct employees.

The Charity supports FWCBS equal opportunities policy and long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2024

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Azets Audit Services, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 20 March 2025 and signed on their behalf by:

Ms A Segall
(Chair of Trustees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION

Opinion

We have audited the financial statements of Fair Ways Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 October 2024 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the use of a basis of preparation other than on a going concern basis. The basis of preparation adopted reflects the companies' decision to cease the activities and to realise its assets and discharge its liabilities. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.2.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 and the Strategic Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.
- the Trustees' Report, which includes the Directors' Report and the Strategic Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 considered 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:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

David Lawrence (Senior Statutory Auditor)

for and on behalf of
Azets Audit Services

Ashcombe Court

Woolsack Way

Godalming

GU7 1LQ

25 March 2025

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from:				
Donations and legacies	4	-	-	*25*
Investments	5	**580,582**	**580,582**	*538,365*
Other income		-	-	*37*
Total income		**580,582**	**580,582**	*538,427*
Expenditure on:				
Charitable activities	7	**975,104**	**975,104**	*575,486*
Total expenditure		**975,104**	**975,104**	*575,486*
Net movement in funds		**(394,522)**	**(394,522)**	*(37,059)*
Reconciliation of funds:				
Total funds brought forward		**2,290,107**	**2,290,107**	*2,327,166*
Net movement in funds		**(394,522)**	**(394,522)**	*(37,059)*
Total funds carried forward		**1,895,585**	**1,895,585**	*2,290,107*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 33 form part of these financial statements.

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08979945

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	10		**351,489**		*401,702*
Tangible assets	11		**4,589,829**		*4,651,182*
Investments	12		**8**		*8*
			4,941,326		*5,052,892*
Current assets					
Debtors	13	**585,741**		*762,506*	
Cash at bank and in hand		**179,452**		*263,978*	
		765,193		*1,026,484*	
Creditors: amounts falling due within one year	14	**(1,264,532)**		*(238,634)*	
Net current liabilities / assets			**(499,339)**		*787,850*
Total assets less current liabilities			**4,441,987**		*5,840,742*
Creditors: amounts falling due after more than one year	15		**(2,546,402)**		*(3,550,635)*
Net assets excluding pension asset			**1,895,585**		*2,290,107*
Total net assets			**1,895,585**		*2,290,107*
Charity funds					
Unrestricted funds	17		**1,895,585**		*2,290,107*
Total funds			**1,895,585**		*2,290,107*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 20 March 2025 and signed on their behalf by:

Ms A Segall

The notes on pages 17 to 33 form part of these financial statements.

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08979945

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	11		**3,909,829**		*3,876,182*
Investments	12		**834,145**		*834,145*
			4,743,974		*4,710,327*
Current assets					
Debtors	13	**618,201**		*812,504*	
Cash at bank and in hand		**165,862**		*199,996*	
		784,063		*1,012,500*	
Creditors: amounts falling due within one year	14	**(1,216,816)**		*(223,652)*	
Net current liabilities / assets			**(432,753)**		*788,848*
Total assets less current liabilities			**4,311,221**		*5,499,175*
Creditors: amounts falling due after more than one year	15		**(2,152,402)**		*(3,105,635)*
Total net assets			**2,158,819**		*2,393,540*
Charity funds					
Unrestricted funds	17		**2,158,819**		*2,393,540*
Total funds			**2,158,819**		*2,393,540*

The Company's net movement in funds for the year was £(234,721) *(2023 - £41,676)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 20 March 2025 and signed on their behalf by:

Ms A Segall

The notes on pages 17 to 33 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2024

	2024 £	*2023* *£*
Cash flows from operating activities		
Net cash used in operating activities	**274,672**	*367,101*
Cash flows from financing activities		
Cash inflows from new borrowing	**210,000**	-
Repayments of borrowing	**(245,912)**	*(177,626)*
Interest paid	**(323,286)**	*(281,049)*
Net cash used in financing activities	**(359,198)**	**(458,675)**
Change in cash and cash equivalents in the year	**(84,526)**	**(91,574)**
Cash and cash equivalents at the beginning of the year	**263,978**	*355,552*
Cash and cash equivalents at the end of the year	**179,452**	*263,978*

The notes on pages 17 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024

1. General information

The Charity is a private company limited by guarantee (Company registered number 08979945 and Charity registered number 1159854) registered in England and Wales. The registered office is Building 1000, Western Road, Portsmouth, PO6 3EN.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Fair Ways 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

During the year, the Trustees progressed their plans to transfer the assets and liabilities of Fair Ways Foundation to Fair Ways Community Benefit Society which they aim to complete before 31 October 2025. The Trustees consider that under both the historical cost basis and the break-up basis of accounting, the financial position of the company remains consistent, and the financial statements reflect the realisation of the Foundation's assets and discharge of its liabilities through to anticipated closure.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Intangible assets and amortisation

Goodwill generated at Group level represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition.

Goodwill is amortised on a straight-line basis to the consolidated statement of financial activities over its estimated useful economic life of ten years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- Nil

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Group and Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	-	-

	Unrestricted funds 2023 £	*Total funds 2023 £*
Donations	*25*	*25*

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Rental income	580,582	**580,582**

	Unrestricted funds 2023 £	*Total funds 2023 £*
Rental income	*538,365*	*538,365*

6. Analysis of grants

	Grants to Institutions 2024 £	Total funds 2024 £	*Total funds 2023 £*
Grants, Direct costs	250,000	**250,000**	-

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £
Direct costs	975,104	**975,104**

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2023 £	*Total 2023 £*
Direct costs	*575,486*	*575,486*

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	**Grant funding of activities 2024 £**	**Support costs 2024 £**	**Total funds 2024 £**
Direct costs	250,040	250,000	475,064	**975,104**

	Activities undertaken directly 2023 £	*Support costs 2023 £*	*Total funds 2023 £*
Direct costs	*225,395*	*350,091*	*575,486*

Analysis of direct costs

	Activities 2024 £	**Total funds 2024 £**
Other direct costs relating to rent (£199,827) and goodwill amortisation (£50,213)	250,040	**250,040**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Activities 2023 £	*Total funds 2023 £*
Other direct costs relating to rent (£175,182) and goodwill amortisation (£50,213)	*225,395*	*225,395*

Analysis of support costs

	Activities 2024 £	**Total funds 2024 £**
Other support costs including £323,286 of loan interest and £131,144 of governance costs	475,064	**475,064**

	Activities 2023 £	*Total funds 2023 £*
Other support costs including £281,049 of loan interest and £62,025 of governance costs	*350,091*	*350,091*

9. Auditors' remuneration

	2024 £	*2023 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**9,200**	*8,750*
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	**3,000**	*3,500*

10. Intangible assets

Group

	Goodwill £
Cost	
At 1 November 2023	**502,128**
At 31 October 2024	**502,128**
Amortisation	
At 1 November 2023	**100,426**
Charge for the year	**50,213**
At 31 October 2024	**150,639**
Net book value	
At 31 October 2024	**351,489**
At 31 October 2023	*401,702*

11. Tangible fixed assets

Group

	Freehold property £
Cost or valuation	
At 1 November 2023	**4,651,182**
Additions	**313,926**
Disposals	**(280,279)**
Impairment	**(95,000)**
At 31 October 2024	**4,589,829**
Net book value	
At 31 October 2024	**4,589,829**
At 31 October 2023	*4,651,182*

Company

	Freehold property £
Cost or valuation	
At 1 November 2023	**3,876,182**
Additions	**313,926**
Disposals	**(280,279)**
At 31 October 2024	**3,909,829**
Net book value	
At 31 October 2024	**3,909,829**
At 31 October 2023	*3,876,182*

12. Fixed asset investments

Group	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2023	**3,035,030**
At 31 October 2024	**3,035,030**
Impairment	
At 1 November 2023	**3,035,022**
At 31 October 2024	**3,035,022**
Net book value	
At 31 October 2024	**8**
At 31 October 2023	*8*

12. Fixed asset investments (continued)

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2023	**3,869,167**
At 31 October 2024	**3,869,167**
Impairment	
At 1 November 2023	**3,035,022**
At 31 October 2024	**3,035,022**
Net book value	
At 31 October 2024	**834,145**
At 31 October 2023	*834,145*

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Principal activity	Class of shares	Holding
Catral Limited	07869713	Letting and operating of real estate	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Catral Limited	**62,715**	**(172,303)**	**(109,588)**	**219,414**

13. Debtors

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Due within one year				
Amounts owed by group undertakings	-	*-*	**32,500**	*50,038*
Amounts owed by related parties	**548,892**	*728,892*	**548,892**	*728,892*
Other debtors	-	*2,511*	-	*2,511*
Called up share capital not paid	**40**	*40*	-	*-*
Prepayments and accrued income	**36,809**	*31,063*	**36,809**	*31,063*
	585,741	*762,506*	**618,201**	*812,504*

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Bank loans	**1,158,779**	*156,811*	**1,148,779**	*146,811*
Other creditors	**960**	*3,248*	-	*2,288*
Accruals and deferred income	**104,793**	*78,575*	**68,037**	*74,553*
	1,264,532	*238,634*	**1,216,816**	*223,652*

15. Creditors: Amounts falling due after more than one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Bank loans	**2,546,402**	*3,550,635*	**2,152,402**	*3,105,635*

Included within the above are amounts falling due as follows:

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Between one and two years				
Bank loans	**468,928**	*1,151,663*	**458,928**	*1,141,663*
Between two and five years				
Bank loans	**1,491,991**	*1,542,144*	**1,107,991**	*1,107,144*
Over five years				
Bank loans	**585,483**	*856,828*	**585,483**	*856,828*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Payable or repayable by instalments	**185,177**	*456,522*	**185,177**	*456,522*
Payable or repayable other than by instalments	**400,306**	*400,306*	**400,306**	*400,306*
	585,483	*856,828*	**585,483**	*856,828*

The bank loans are repayable over 10 years and interest is charged at bank base rate plus 3 - 4%.

The bank loans have a fixed and floating charge over freehold property of the Group and Company.

16. Financial instruments

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Financial assets				
Financial assets measured at amortised cost	**179,452**	*266,529*	**165,862**	*205,207*

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Financial liabilities				
Financial liabilities measured at amortised cost	**3,706,141**	*3,710,694*	**3,301,182**	*3,254,734*

Financial assets measured at amortised cost comprise cash at bank, trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank loans.

17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2023 £	Income £	Expenditure £	Balance at 31 October 2024 £
Unrestricted funds				
General Funds - all funds	**2,290,107**	**580,582**	**(975,104)**	**1,895,585**

Statement of funds - prior year

	Balance at 1 November 2022 £	*Income £*	*Expenditure £*	*Balance at 31 October 2023 £*
Unrestricted funds				
General Funds - all funds	*2,327,166*	*538,427*	*(575,486)*	*2,290,107*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	4,589,829	**4,589,829**
Intangible fixed assets	351,489	**351,489**
Fixed asset investments	8	**8**
Current assets	765,193	**765,193**
Creditors due within one year	(1,264,532)	**(1,264,532)**
Creditors due in more than one year	(2,546,402)	**(2,546,402)**
Total	1,895,585	**1,895,585**

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	*Total funds 2023 £*
Tangible fixed assets	*4,651,182*	*4,651,182*
Intangible fixed assets	*401,702*	*401,702*
Fixed asset investments	*8*	*8*
Current assets	*1,026,484*	*1,026,484*
Creditors due within one year	*(238,634)*	*(238,634)*
Creditors due in more than one year	*(3,550,635)*	*(3,550,635)*
Total	*2,290,107*	*2,290,107*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	*Group 2023 £*
Net expenditure for the period (as per Statement of Financial Activities)	**(394,522)**	*(37,059)*
Adjustments for:		
Amortisation charges	**50,213**	*50,213*
Decrease in debtors	**176,765**	*23,886*
Increase in creditors	**23,930**	*49,012*
Interest paid	**323,286**	*281,049*
Freehold property impairment	**95,000**	-
Net cash provided by operating activities	**274,672**	*367,101*

20. Analysis of cash and cash equivalents

	Group 2024 £	*Group 2023 £*
Cash in hand	**179,452**	*263,978*
Total cash and cash equivalents	**179,452**	*263,978*

21. Analysis of changes in net debt

	At 1 November 2023 £	Cash flows £	At 31 October 2024 £
Cash at bank and in hand	**263,978**	**(84,526)**	**179,452**
Debt due within 1 year	**(156,811)**	**(1,001,968)**	**(1,158,779)**
Debt due after 1 year	**(3,550,635)**	**1,004,233**	**(2,546,402)**
	(3,443,468)	**(82,261)**	**(3,525,729)**

22. Operating lease commitments

At 31 October 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Not later than 1 year	**221,848**	*199,827*	**221,848**	*199,827*
Later than 1 year and not later than 5 years	**887,393**	*865,371*	**887,393**	*865,371*
Later than 5 years	**562,581**	*784,429*	**562,581**	*784,429*
	1,671,822	*1,849,627*	**1,671,822**	*1,849,627*

23. Related party transactions

Related party transactions between Group companies have not been disclosed in accordance with section 33 of FRS 102.

The Charity has Trustees in common with, provides grants to, and owns premises operated by Fair Ways Community Benefit Society, which provides high quality social care and education services including school and foster placements, residential children's homes, a post 16 service and a family assessment centre.

The Trustees were not paid or in receipt of any other benefits from employment with the Society or its subsidiary in the year. No Trustees were reimbursed for travel expenses and no trustees were reimbursed for IT costs in the current and prior year. No Trustee received payment for professional or other services supplied to the Society.

FAIR WAYS FOUNDATION

England & Wales - Charity number 1159854

Accounts

Registered number: 08979945
Charity number: 1159854

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

FAIR WAYS FOUNDATION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 OCTOBER 2023

Trustees	Ms Diana Cree, Trustee Mr Adrian Fry, Trustee Mr David Pilgrim, Trustee (resigned 19 June 2023) Ms Anne Segall, Trustee
Company secretary	Mr Malcolm Rule
Company registered number	08979945
Charity registered number	1159854
Registered office	Ground Floor Building 1000 Portsmouth PO6 3EN
Independent auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming GU7 1LQ
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 November 2022 to 31 October 2023. The Annual Report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of the Charity are to create long term financial stability and good governance and to be a good landlord. The Charity raises funds, creates partnerships and provides grants to:

- Raise the standards across health care, social care and education
- Reach more Young People and support them to become 'full citizens'
- Change the Perceptions of Young People in Care

b. Strategies for achieving objectives

The Charity holds the key assets used by Fair Ways Community Benefit Society (FWCBS). These include properties utilised by FWCBS for which rents are charged in accordance with the leases in place.

During 2023, the Trustees have considered the longer-term strategy for the charity.

The Trustees commissioned a detailed review to merge Fair Ways Foundation and FWCBS, on the basis that presenting the organisation as a single charity will avoid confusion in the target markets and provide better efficiencies and economies of scale.

Following the review the Trustees are of the opinion that the Charitable Objects of Fair Ways Foundation would be better achieved by the transfer of its Charitable Undertakings to FWCBS. This will result in all existing assets and liabilities being transferred.

Discussions are taking place with legal advisors, landlords and lenders and expectations are that such a transfer will be completed prior to 31 October 2024.

During the year, Mr Malcom Rule was appointed as Company Secretary of Fair Ways Foundation.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2023

Strategic report

Achievements and performance

a. Main achievements of the Charity

The Trustees continue to have an active interest in the performance and progress of Fair Ways Community Benefit Society (FWCBS).

The Trustees commend the efforts of all staff in FWCBS for the performance of the organisation. Key themes are noted as follows:

Financial Performance: Following a financially challenging year in 2021/22, the trustees were pleased to note the positive financial performance of FWCBS in 2022/2023.

Property Development: Trustees have actively considered the further development of Fair Ways estate to prioritising the expansion and refurbishment of several existing assets to increase capacity and deliver services to a greater number of Children and young people.

Further to the acquisition of Catral Ltd in 2021, trustees have also advanced longer-term plans to provide a replacement school on the Swanwick site following a fire in 2021, that resulted in the destruction of the existing school and the creation of a temporary school.

b. Key performance indicators

The Charity considers it is paramount that FWCBS delivers a high standard of care and education to all service users. FWCBS has robust internal quality audits and health and safety processes in place to ensure these high standards are achieved. During the year to 31 October 2023 all regulatory standards were met or exceeded.

c. Review of activities

During the year the Board met regularly to review how best to fulfil the Foundation's objectives which led to the decision to explore the potential for merging with FWCBS.

d. Fundraising activities and income generation

The Charity does not employ fundraisers.

e. Investment policy and performance

The Trustees will continue to look for opportunities to invest in the acquisition of properties suitable for the provision of services to support the charitable activities of the Charity.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2023

Strategic report (continued)

Financial review

a. Financial review

In 2022-23 income was £538k compared to £514k for the previous year. Expenditure was £575k in 2022-23 compared to £1,372k in the previous year.

Overall, there was a net deficit of £37k in 2022-23 compared to a net deficit of £858k in the previous year. The previous year included grant awards to FWCBS of £730k; no grants were awarded in 2022-23.

Income for the year was almost exclusively from rents charged to FWCBS in their provision of care and education for vulnerable children, young people and families.

Expenditure for the year includes £175k for rents paid to third party landlords before passing that rent on to FWCBS. Expenditure also includes interest costs on loans (£281k) as well as legal and professional, audit, accounting and insurance costs. The Foundation does not employ any staff.

b. Reserves policy

Fair Ways Foundation reviews its' Reserves Policy regularly including an annual review by Trustees. The policy is structured such that the Foundation can maintain its' Reserves at a sufficient level to ensure long term financial sustainability including protection against the risks that have been identified.

This Reserves Policy sets out the target free reserves level between a minimum and maximum range and the key principles by which the Foundation will manage any excesses or deficits compared to the target. The aim is to strike the appropriate balance between ensuring a sustainable financial position and using the Foundation's funds to fulfil the charitable objectives.

Free reserves represent unrestricted general funds and so exclude endowment funds, restricted funds and funds that have been designated by Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use. For the purposes of this reserve policy, Fair Ways Foundation free reserves are identified as its total cash balances.

The Reserves Policy is aligned with the Foundation's Strategy approved by Trustees. This included recognition that the Foundation does not intend on making any significant grants in the foreseeable future.

In 2022/23 the policy was to maintain free reserves of between £215k and £429k. This target range was calculated as follows.

Free reserves element	6 - 12 months loan repayments
Purpose for reserve	To ensure that the Foundation can be confident of meeting its short-term loan obligations with Unity Bank.
Target amount £	Min £215k Max £429k

The minimum and maximum target range includes contingency for base rate increasing to 6% (current base rate is 5.25%).

The Foundation's actual cash reserves at 31 October 2023 was £200k. This was slightly below the target range. Should free reserves fall below the minimum target range, Trustees will consider options to increase free reserves. Options could include requesting that FWCBS accelerate their repayment of loans owed to Fairways Foundation. Other options could include increasing lease rentals charged to FWCBS, restructuring existing debt or selling properties. A balance would have to be struck between meeting the needs of FWCBS service users today and ensuring the long-term sustainability of the Foundation for the service users of tomorrow.

Should free reserves be above the maximum target range, Trustees may consider options to increase expenditure in line with its charitable objectives. This could include purchasing additional properties, developing existing properties or making grant awards to Fair Ways CBS.

c. Going concern

As explained on page 2, the Trustees expect to see the assets and liabilities of Fair Ways Foundation transfer to Fair Ways CBS during the financial year ending 31 October 2024. Therefore, the financial statements are prepared on a break up basis reflecting the realisation of the company's assets and discharge of its liabilities through to anticipated closure.

d. Principal risks and uncertainties

The principal risks to the Charity, for the year in question are considered to be local authority cost constraints that could impact the services provided by FWCBS and the risk of damage to that organisation's excellent reputation in the provision of services to children and young people. The Trustees are satisfied that the principal and other risks are mitigated appropriately though the implementation of FWCBS's risk strategy.

Within the Charity the principal risk is considered to be the financial stability of the charity and ensure that the quality of the estate held remains fit for purpose.

e. Financial risk management objectives and policies

The Charity maintains a cautious policy of developing services and building reserves. During the year a new Reserves policy was adopted with an underlying principle to maintain an appropriate level of reserves in relation to recurring expenditure.

Structure, governance and management

a. Constitution

Fair Ways Foundation is a company limited by guarantee governed by a Deed of Governance dated 20 October 2014 and by its Memorandum and Articles of Association dated 4 April 2014. It is registered as a charity with the Charity Commission, registered charity number 1159854.

b. Methods of appointment or election of Trustees

Trustees determine the skill set and experience required for an effective board, and search for suitable candidates, using external advertising and recruitment agencies when appropriate. Candidates are interviewed, references taken and are subject to DBS checks prior to appointment for an initial term of 3 years which can on election be extended for a further 3 and then a final 3 years.

c. Organisational structure and decision-making policies

The Trustees meet quarterly to review information prepared by management and other relevant documentation presented to them and make any decisions required.

d. Policies adopted for the induction and training of Trustees

All Trustees are given a bespoke induction course tailored to add to their prior experience. Further opportunities for continuing professional development courses as a Trustee are also provided. In the year considerable work was undertaken to further develop the induction processes for new trustees.

e. Pay policy for Trustees

All Trustees give of their time freely and are not remunerated.

Structure, governance and management (continued)

f. Related party relationships

The Charity has Trustees in common with, provides grants to, and owns premises operated by FWCBS, which provides high quality social care and education services including school and foster placements, residential children's homes, a post 16 service and a family assessment centre.

g. Trustees' indemnities

The Trustees are covered by a qualifying third-party indemnity policy. This policy was in place for all Trustees for the whole of the financial year.

Plans for future periods

During 2023, the Trustees have considered the longer-term strategy for the charity.

The Trustees commissioned a detailed review to merge Fair Ways Foundation and FWCBS, on the basis that presenting the organisation as a single charity will avoid confusion in the target markets and provide better efficiencies and economies of scale.

Following the review the Trustees are of the opinion that the Charitable Objects of Fair Ways Foundation would be better achieved by the transfer of its Charitable Undertakings to FWCBS. This will result in all existing assets and liabilities being transferred.

Discussions are taking place with legal advisors, landlords and lenders and expectations are that such a transfer will be completed prior to 31 October 2024.

Engagement with employees and employment of the disabled

The Charity does not have any direct employees.

The Charity supports FWCBS equal opportunities policy and long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2023

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Azets Audit Services, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Ms A Segall
Chair

Date 9 May 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION

Opinion

We have audited the financial statements of Fair Ways Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 October 2023 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the use of a basis of preparation other than on a going concern basis. The basis of preparation adopted reflects the companies' decision to cease the activities and to realise its assets and discharge its liabilities. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.2.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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, 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 included within the trustees' report have been preparedin accordance with applicable legal requirements.

Matters on which we are required to report by exception

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, the Trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

Auditors' 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 Auditors' 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 considered 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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION (CONTINUED)

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 Auditors' 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, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

David Lawrence (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Ashcombe Court
Woolsack Way
Godalming
GU7 1LQ

Date: 29 May 2024

Azets Audit Services are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from:				
Donations and legacies	4	**25**	**25**	*92*
Investments	5	**538,365**	**538,365**	*511,844*
Other income		**37**	**37**	*2,364*
Total income		**538,427**	**538,427**	*514,300*
Expenditure on:				
Charitable activities	7	**575,486**	**575,486**	*1,372,202*
Total expenditure		**575,486**	**575,486**	*1,372,202*
Net movement in funds		**(37,059)**	**(37,059)**	*(857,902)*
Reconciliation of funds:				
Total funds brought forward		**2,327,166**	**2,327,166**	*3,185,068*
Net movement in funds		**(37,059)**	**(37,059)**	*(857,902)*
Total funds carried forward		**2,290,107**	**2,290,107**	*2,327,166*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 32 form part of these financial statements.

FAIR WAYS FOUNDATION
REGISTERED NUMBER: 08979945

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2023

	Note		2023 £		*2022 £*
Fixed assets					
Intangible assets	10		**401,702**		*451,915*
Tangible assets	11		**4,651,182**		*4,651,182*
Investments	12		**8**		*8*
			5,052,892		*5,103,105*
Current assets					
Debtors	13	**762,506**		*786,392*	
Cash at bank and in hand		**263,978**		*355,552*	
		1,026,484		*1,141,944*	
Creditors: amounts falling due within one year	14	**(238,634)**		*(250,230)*	
Net current assets			**787,850**		*891,714*
Total assets less current liabilities			**5,840,742**		*5,994,819*
Creditors: amounts falling due after more than one year	15		**(3,550,635)**		*(3,667,653)*
Total net assets			**2,290,107**		*2,327,166*
Charity funds					
Unrestricted funds	17		**2,290,107**		*2,327,166*
Total funds			**2,290,107**		*2,327,166*

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ms A Segall
Chair
Date 9 May 2024

The notes on pages 17 to 32 form part of these financial statements.

FAIR WAYS FOUNDATION
REGISTERED NUMBER: 08979945

CHARITY BALANCE SHEET
AS AT 31 OCTOBER 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	11		**3,876,182**		*3,876,182*
Investments	12		**834,145**		*834,145*
			4,710,327		*4,710,327*
Current assets					
Debtors	13	**812,504**		*818,852*	
Cash at bank and in hand		**199,996**		*273,180*	
		1,012,500		*1,092,032*	
Creditors: amounts falling due within one year	14	**(223,652)**		*(237,842)*	
Net current assets			**788,848**		*854,190*
Total assets less current liabilities			**5,499,175**		*5,564,517*
Creditors: amounts falling due after more than one year	15		**(3,105,635)**		*(3,212,653)*
Total net assets			**2,393,540**		*2,351,864*
Charity funds					
Unrestricted funds			**2,393,540**		*2,351,864*
Total funds			**2,393,540**		*2,351,864*

The Charity's net movement in funds for the year was £41,676 *(2022 - £(833,204))*.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ms A Segall
Chair
Date 9 May 2024

The notes on pages 17 to 32 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Net cash used in operating activities	**367,101**	*(394,064)*
Cash flows from investing activities		
Acquisition of subsidiary	**-**	*(766,955)*
Net cash provided by/(used in) investing activities	**-**	**(766,955)**
Cash flows from financing activities		
Repayments of borrowing	**(177,626)**	*(107,477)*
Interest paid	**(281,049)**	*(168,782)*
Net cash used in financing activities	**(458,675)**	**(276,259)**
Change in cash and cash equivalents in the year	**(91,574)**	**(1,437,278)**
Cash and cash equivalents at the beginning of the year	**355,552**	*1,792,830*
Cash and cash equivalents at the end of the year	**263,978**	*355,552*

The notes on pages 17 to 32 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

1. General information

The Charity is a private company limited by guarantee (Company registered number 08979945 and Charity registered number 1159854) registered in England and Wales. The registered office is Building 1000, Western Road, Portsmouth, PO6 3EN.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Fair Ways 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

During the year Trustees progressed their plans to transfer the assets and liabilities of Fair Ways Foundation to Fair Ways Community Benefit Society which they aim to complete by 31 October 2024. Therefore the financial statements are prepared on a break up basis reflecting the realisation of the company's assets and discharge of its liabilities through to closure.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

2. Accounting policies (continued)

Charitable activities and Governance costs are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Intangible assets and amortisation

Goodwill generated at Group level represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition.

Goodwill is amortised on a straight-line basis to the consolidated statement of financial activities over its estimated useful economic life of ten years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- Nil

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Group and the Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	25	**25**

	Unrestricted funds 2022 £	*Total funds 2022 £*
Donations	*92*	*92*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment properties	538,365	**538,365**

	Unrestricted funds 2022 £	*Total funds 2022 £*
Investment properties	*511,844*	*511,844*

6. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Grants, Direct costs	-	-

	Grants to Institutions 2022 £	*Total funds 2022 £*
Grants, Direct costs	*730,000*	*730,000*

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Direct costs	575,486	**575,486**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2022 £	*Total 2022 £*
Direct costs	*1,372,202*	*1,372,202*

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	**Support costs 2023 £**	**Total funds 2023 £**
Direct costs	225,395	350,091	**575,486**

	Activities undertaken directly 2022 £	*Grant funding of activities 2022 £*	*Support costs 2022 £*	*Total funds 2022 £*
Direct costs	*170,263*	*730,000*	*471,939*	*1,372,202*

Analysis of direct costs

	Activities 2023 £	**Total funds 2023 £**
Other direct costs relating to rent (£175,182) and goodwill amortisation (£50,213)	225,395	**225,395**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Activities 2022 £	*Total funds 2022 £*
Other direct costs	*170,263*	*170,263*

Analysis of support costs

	Activities 2023 £	**Total funds 2023 £**
Other support costs including £281,049 of loan interest	*288,066*	*288,066*
Governance costs	*62,025*	*62,025*
	350,091	**350,091**

	Activities 2022 £	*Total funds 2022 £*
Other support costs	*411,919*	*411,919*
Governance costs	*60,020*	*60,020*
	471,939	*471,939*

9. Auditors' remuneration

	2023 £	*2022 £*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**8,750**	*8,000*
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**3,500**	*2,200*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

10. Intangible assets

Group

	Goodwill £
Cost	
At 1 November 2022	**502,128**
At 31 October 2023	**502,128**
Amortisation	
At 1 November 2022	**50,213**
Charge for the year	**50,213**
At 31 October 2023	**100,426**
Net book value	
At 31 October 2023	**401,702**
At 31 October 2022	*451,915*

11. Tangible fixed assets

Group

	Freehold property £
Cost or valuation	
At 1 November 2022	**4,651,182**
At 31 October 2023	**4,651,182**
Net book value	
At 31 October 2023	**4,651,182**
At 31 October 2022	*4,651,182*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

11. Tangible fixed assets (continued)

Charity

	Freehold property £
Cost or valuation	
At 1 November 2022	**3,876,182**
At 31 October 2023	**3,876,182**
Depreciation	
At 1 November 2022 and 31 October 2023	**-**
Net book value	
At 31 October 2023	**3,876,182**
At 31 October 2022	*3,876,182*

12. Fixed asset investments

Group	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2022 and 31 October 2023	**3,035,030**
Impairment	
At 1 November 2022 and 31 October 2023	**3,035,022**
Net book value	
At 31 October 2023	**8**
At 31 October 2022	*8*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

12. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2022 and 31 October 2023	**3,869,167**
Impairment	
At 1 November 2022 and 31 October 2023	**3,035,022**
Net book value	
At 31 October 2023	**834,145**
At 31 October 2022	*834,145*

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Country	Principal activity	Class of share	Holding
Catral Limited	07869713	England	Letting and operating of real estate	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Catral Limited	**57,537**	**(39,999)**	**17,538**	**329,002**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

13. Debtors

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Due within one year				
Amounts owed by group undertakings	**-**	*-*	**50,038**	*32,500*
Amounts owed by related parties	**728,892**	*758,892*	**728,892**	*758,892*
Other debtors	**2,511**	*-*	**2,511**	*-*
Called up share capital not paid	**40**	*40*	**-**	*-*
Prepayments and accrued income	**31,063**	*27,460*	**31,063**	*27,460*
	762,506	*786,392*	**812,504**	*818,852*

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**156,811**	*217,419*	**146,811**	*207,419*
Trade creditors	**-**	*16,200*	**-**	*16,200*
Amounts owed to group undertakings	**-**	*878*	**-**	*-*
Amounts owed to related parties	**-**	*5,408*	**-**	*5,408*
Other creditors	**3,248**	*-*	**2,288**	*-*
Accruals and deferred income	**78,575**	*10,325*	**74,553**	*8,815*
	238,634	*250,230*	**223,652**	*237,842*

15. Creditors: Amounts falling due after more than one year

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**3,550,635**	*3,667,653*	**3,105,635**	*3,212,653*

Included within the above are amounts falling due as follows:

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Between one and two years				
Bank loans	**1,151,663**	*670,726*	**1,141,663**	*215,726*
Between two and five years				
Bank loans	**1,542,144**	*1,656,162*	**1,107,144**	*1,656,162*
Over five years				
Bank loans	**856,828**	*1,340,765*	**856,828**	*1,340,765*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Payable or repayable by instalments	**456,522**	*643,778*	**456,522**	*643,778*
Payable or repayable other than by instalments	**400,306**	*696,987*	**400,306**	*696,987*
	856,828	*1,340,765*	**856,828**	*1,340,76*

The bank loans are repayable over 10 years and interest is charged at bank base rate plus 3 - 4%. The 2022 bank loans repayable after more than 5 years have been restated from 2,296,700 to 1,340,765 as the loan maturity analysis was based on the loans being repayable over 25 years rather than their term of 10 years. The total 2022 bank loan creditor has not changed.

The bank loans have a fixed and floating charge over freehold property of the Group and Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

16. Financial instruments

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**266,529**	*355,552*	**205,207**	*273,180*

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Financial liabilities				
Financial liabilities measured at amortised cost	**3,710,694**	*3,901,272*	**3,254,734**	*3,436,272*

Financial assets measured at amortised cost comprise cash at bank, trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank loans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2022 £	Income £	Expenditure £	Balance at 31 October 2023 £
Unrestricted funds				
General Funds – all funds	**2,327,166**	**538,427**	**(575,486)**	**2,290,107**

Statement of funds - prior year

	Balance at 1 November 2021 £	*Income £*	*Expenditure £*	*Balance at 31 October 2022 £*
Unrestricted funds				
General Funds - all funds	*3,185,068*	*514,300*	*(1,372,202)*	*2,327,166*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	4,651,182	**4,651,182**
Intangible fixed assets	401,702	**401,702**
Fixed asset investments	8	**8**
Current assets	1,026,484	**1,026,484**
Creditors due within one year	(238,634)	**(238,634)**
Creditors due in more than one year	(3,550,635)	**(3,550,635)**
Total	2,290,107	**2,290,107**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	*Total funds 2022 £*
Tangible fixed assets	*4,651,182*	*4,651,182*
Intangible fixed assets	*451,915*	*451,915*
Fixed asset investments	*8*	*8*
Current assets	*1,141,944*	*1,141,944*
Creditors due within one year	*(250,230)*	*(250,230)*
Creditors due in more than one year	*(3,667,653)*	*(3,667,653)*
Total	*2,327,166*	*2,327,166*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	*Group 2022 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(37,059)**	*(857,902)*
Adjustments for:		
Amortisation charges	**50,213**	*-*
Decrease in debtors	**23,886**	*356,109*
Increase/(decrease) in creditors	**49,012**	*(61,053)*
Interest paid	**281,049**	*168,782*
Net cash provided by/(used in) operating activities	**367,101**	*(394,064)*

20. Analysis of cash and cash equivalents

	Group 2023 £	*Group 2022 £*
Cash in hand	**263,978**	*355,552*
Total cash and cash equivalents	**263,978**	*355,552*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

21. Analysis of changes in net debt

	At 1 November 2022	Cash flows	At 31 October 2023
	£	£	£
Cash at bank and in hand	**355,552**	**(91,574)**	**263,978**
Debt due within 1 year	**(217,419)**	**60,608**	**(156,811)**
Debt due after 1 year	**(3,667,653)**	**117,018**	**(3,550,635)**
	(3,529,520)	**86,052**	**(3,443,468)**

22. Related party transactions

Related party transactions between Group companies have not been disclosed in accordance with section 33 of FRS 102.

The Charity has Trustees in common with, provides grants to, and owns premises operated by Fair Ways Community Benefit Society, which provides high quality social care and education services including school and foster placements, residential children's homes, a post 16 service and a family assessment centre.

The Trustees were not paid or in receipt of any other benefits from employment with the Society or its subsidiary in the year. No Trustees were reimbursed for travel expenses and no trustees were reimbursed for IT costs in the current and prior year. No Trustee received payment for professional or other services supplied to the Society.

FAIR WAYS FOUNDATION

England & Wales - Charity number 1159854

Accounts

Registered number: 08979945
Charity number: 1159854

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 OCTOBER 2022

Trustees	Ms Diana Cree (appointed 17 December 2021) Mr Adrian Fry Mr David Pilgrim Ms Anne Segall
Company registered number	08979945
Charity registered number	1159854
Registered office	Ground Floor Building 1000 Western Road Portsmouth PO6 3EN
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 November 2021 to 31 October 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of the Charity are to create long term financial stability and good governance and to be a good landlord. The Charity raises funds, creates partnerships and provides grants to:

- Raise the standards across health care, social care and education
- Reach more Young People and support them to become 'full citizens'
- Change the Perceptions of Young People in Care'

b. Strategies and activities undertaken for achieving objectives

The Charity holds the key assets used by Fair Ways Community Benefit Society (FWCBS). These include properties utilised by FWCBS for which rents are charged in accordance with the leases in place. Strategies and aspirations for the Charity are as below:

- Maintain strong financial control of the assets of the charity
- To promote the understanding of trauma informed care
- License the Fair Ways Brand
- Acquire failing businesses and re-brand as Fair Ways
- Plan how to expand and buy more properties
- Plan how to do this through others e.g. fund other organisations
- Help young people past the age of 16 and fund care post care
- Raise the profile of children in care

Strategic report

Achievements and performance

a. Main achievements of the Charity

The Trustees continue to have an active interest in the performance and progress of Fair Ways Community Benefit Society (FWCBS). The FWCBS charity was previously a subsidiary company of the Charity and support continues to be provided by way of grants and properties. FWCBS and the Charity have trustees in common.

The Trustees commend the efforts of all staff in FWCBS for their continued efforts in responding to the constraints and restrictions imposed by the Covid 19 pandemic. The safety of the service users and all staff has been the primary focus. This has been achieved by rapid and rigorous segregation of care teams to minimise the risk of spreading the virus and enabling staff to work from home wherever possible.

In the year FWCBS also faced significantly increased operating costs arising from global and UK events and a resultant cost of living crisis, interest rates increases and energy costs issues. The Charity supported FWCBS through the provision of grants and Trustees supported through the provision of skills and expertise.

In the year the Charity completed the purchase of Catral Ltd, ensuring that lands adjacent to an existing Fair Ways school, and a separate premises, operated under lease by Fair Ways were both acquired.

b. Key performance indicators

The Charity considers it is paramount that FWCBS delivers a high standard of care and education to all service users. FWCBS has robust internal quality audits and health and safety processes in place to ensure these high standards are achieved. During the year to 31 October 2022 all regulatory standards were met or exceeded.

As a new entity in its own right, Fair Ways Foundation are now considering appropriate KPIs to measure success as part of its strategy review.

c. Review of activities

During the year the Board met regularly to consider grant applications from FWCBS and support measures for staff in FWCBS as well as considering support and partnerships with other organisations.

d. Fundraising activities and income generation

The Charity does not employ fundraisers.

e. Investment policy and performance

The Trustees will continue to look for opportunities to invest in the acquisition of properties suitable for the provision of services to support the charitable activities of the Charity.

Strategic report (continued)

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees intend to ensure that the Charity adopts a prudent approach to reserves.

In the short term the Trustees intend to ensure that sufficient dedicated reserves are retained as follows:

- Reserves equivalent to between 6 and 12 months of repayments of property loans.

The key performance indicator is reported to the Trustees on a quarterly basis.

c. Principal risks and uncertainties

The principal risks to the Charity, for the year in question are considered to be local authority cost constraints that could impact the services provided by FWCBS and the risk of damage to that organisation's excellent reputation in the provision of services to children and young people. The Trustees are satisfied that the principal and other risks are mitigated appropriately though the implementation of FWCBS risk strategy.

Within the Charity the principal risk is considered to be the financial stability of the charity and ensure that the quality of the estate held remains fit for purpose.

d. Financial risk management objectives and policies

The Charity maintains a cautious policy of developing services and building reserves. During the year reserves reduced to support the activities of the charity, principally the acquisition of Catral Ltd and the financial support provided to FWCBS. Any further grants or loans will be carefully, monitored over the coming year to ensure a build up of reserves for the Charity.

Structure, governance and management

a. Constitution

Fair Ways Foundation is a company limited by guarantee governed by a Deed of Governance dated 20 October 2014 and by its Memorandum and Articles of Association dated 4 April 2014. It is registered as a charity with the Charity Commission, registered charity number 1159854.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

Trustees determine the skill set and experience required for an effective board, and search for suitable candidates, using external advertising and recruitment agencies when appropriate. Candidates are interviewed, references taken, and are subject to DBS checks prior to appointment for an initial term, and subject to reappointment at the first AGM following their appointment.

c. Organisational structure and decision-making policies

The Trustees meet quarterly to review information prepared by management and other relevant documentation presented to them and make any decisions required.

d. Policies adopted for the induction and training of Trustees

All Trustees are given a bespoke induction course tailored to add to their prior experience. Further opportunities for continuing professional development courses as a Trustee are also provided.

e. Pay policy for Trustees

All Trustees give of their time freely and are not remunerated.

f. Related party relationships

The Charity has Trustees in common with, provides grants to, and owns premises operated by Fair Ways Community Benefit Society, which provides high quality social care and education services including school and foster placements, residential children's homes, a post 16 service and a family assessment centre.

g. Trustees' indemnities

The Trustees are covered by a qualifying third party indemnity policy. This policy was in place for all Trustees for the whole of the financial year.

Plans for future periods

The Charity now operates independently from Fair Ways Community Benefit Society, previously a wholly owned subsidiary. The trustees remain actively interested in the performance of this charity and as appropriate and with funds allowing, will continue to support its mission through investment in additional properties and grants as required. Trustees will also offer skills and advice as required.

Trustees have begun work on developing a strategy for Fair Ways Foundation and will continue this work in the coming year.

Engagement with employees and employment of the disabled

The Charity does not have any direct employees.

The Charity supports FWCBS equal opportunities policy and long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 . 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Anne Segall
Anne Segall (May 30, 2023 16:43 GMT+1)

Ms A Segall
Chairman

May 30, 2023

INDEPENDENT AUDITOR'S REPORT TO THE OF FAIR WAYS FOUNDATION

Opinion

We have audited the financial statements of Fair Ways Foundation (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 October 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Statement of Financial Position, the Consolidated Statement of Cash Flowsthe Group and Charity Balance Sheets, the Group Consolidated 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 Group's and the Charity's affairs as at 31 October 2022 and of the Group's 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 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' 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 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 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 Trustees'

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, 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' 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 these 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 Group and Charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and money laundering.

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 Group and 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 the Charities Act 2011 and the Companies Act 2006.

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, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions and allocation of funds.

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.

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Jonathan Marchant (May 30, 2023 17:11 GMT+1)

Jonathan Marchant (Senior statutory auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: May 30, 2023

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	4	**92**	**92**	14,192,211
Investments	5	**511,844**	**511,844**	424,870
Other income		**2,364**	**2,364**	52,430
Total income		**514,300**	**514,300**	14,669,511
Expenditure on:				
Charitable activities	7	**1,372,202**	**1,372,202**	14,070,981
Total expenditure		**1,372,202**	**1,372,202**	14,070,981
Net (expenditure)/income before net losses on investments		**(857,902)**	**(857,902)**	598,530
Gift of investment value to the community		**-**	**-**	(914,491)
Net movement in funds		**(857,902)**	**(857,902)**	(315,961)
Reconciliation of funds:				
Total funds brought forward		**3,185,068**	**3,185,068**	3,501,029
Net movement in funds		**(857,902)**	**(857,902)**	(315,961)
Total funds carried forward		**2,327,166**	**2,327,166**	3,185,068

The notes on pages 16 to 33 form part of these financial statements.

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08979945

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	10		**451,915**		-
Tangible assets	11		**4,651,182**		3,876,182
Investments	12		**8**		8
			5,103,105		3,876,190
Current assets					
Debtors	13	**786,392**		1,142,461	
Cash at bank and in hand		**355,552**		1,792,830	
		1,141,944		2,935,291	
Creditors: amounts falling due within one year	14	**(250,230)**		(299,250)	
Net current assets			**891,714**		2,636,041
Total assets less current liabilities			**5,994,819**		6,512,231
Creditors: amounts falling due after more than one year	15		**(3,667,653)**		(3,327,163)
Net assets excluding pension asset			**2,327,166**		3,185,068
Total net assets			**2,327,166**		3,185,068
Charity funds					
Restricted funds			**-**		-
Unrestricted funds			**2,327,166**		3,185,068
Total funds			**2,327,166**		3,185,068

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Anne Segall
Anne Segall (May 30, 2023 16:43 GMT+1)

Ms A Segall

Date: May 30, 2023

The notes on pages 16 to 33 form part of these financial statements.

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08979945

CHARITY BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	11		**3,876,182**		3,876,182
Investments	12		**834,145**		8
			4,710,327		3,876,190
Current assets					
Debtors	13	**818,852**		1,142,461	
Cash at bank and in hand		**273,180**		1,792,830	
		1,092,032		2,935,291	
Creditors: amounts falling due within one year	14	**(237,842)**		(299,250)	
Net current assets			**854,190**		2,636,041
Total assets less current liabilities			**5,564,517**		6,512,231
Creditors: amounts falling due after more than one year	15		**(3,212,653)**		(3,327,163)
Total net assets			**2,351,864**		3,185,068
Charity funds					
Unrestricted funds			**2,351,864**		3,185,068
Total funds			**2,351,864**		3,185,068

The Charity's net movement in funds for the year was £(833,204) (2021 - £(1,536,337)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Anne Segall
Anne Segall (May 30, 2023 16:43 GMT+1)

Ms A Segall
(Chairman)
Date: May 30, 2023

The notes on pages 16 to 33 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	**(394,064)**	357,408
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**-**	229,167
Purchase of tangible fixed assets	**-**	(784,559)
Acquistion of subsidiary	**(766,955)**	-
Net cash used in investing activities	**(766,955)**	**(555,392)**
Cash flows from financing activities		
Cash inflows from new borrowing	**-**	479,500
Repayments of borrowing	**(107,477)**	(209,794)
Interest paid	**(168,782)**	-
Net cash (used in)/provided by financing activities	**(276,259)**	**269,706**
Change in cash and cash equivalents in the year	**(1,437,278)**	**71,722**
Cash and cash equivalents at the beginning of the year	**1,792,830**	1,721,108
Cash and cash equivalents at the end of the year	**355,552**	1,792,830

The notes on pages 16 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

1. General information

The Charity is a private company limited by guarantee (Company registered number 08979945 and Charity registered number 1159854) registered in England and Wales. The registered office is Building 1000, Western Road, Portsmouth, PO6 3EN.

The presentation currency of the financial statements is sterling and the financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fair Ways 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.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The income and expenditure account for the year for the Charity was a cost of £833,204 (2021 - surplus of £1,498,686).

2.2 Going concern

The Trustees have considered the future cashflow position of the Group and the Charity and reviewed budgets for the period. The available cash reserves and the long term relationship with the lessor of the Charity's properties, Fair Ways Community Benefit Society gives the Trustees confidence that the Group and the Charity will continue to meet any liabilities as they fall due. As a result the accounts have been prepared on a going concern basis.

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Goodwill

Goodwill generated at Group level represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition.

Goodwill is amortised on a straight line basis to the consolidated statement of financial activities over its estimated useful economic life of ten years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- Nil

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Consolidated Statement of Financial Position date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Consolidated Statement of Financial Position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group and the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group or the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Group and the Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from donations and legacies

	Unrestricted funds 2022 £	**Total funds 2022 £**	Total funds 2021 £
Donations	92	**92**	102,889
Income from charitable activities	-	**-**	14,089,322
	92	**92**	14,192,211
Total 2021	14,192,211	14,192,211	

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment properties	511,844	**511,844**	424,870
Total 2021	424,870	424,870	

6. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants, Direct costs	730,000	**730,000**	13,740,515
Total 2021	13,740,515	13,740,515	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Direct costs	1,372,202	**1,372,202**	14,070,981
Total 2021	14,070,981	14,070,981	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Direct costs	170,263	730,000	471,939	**1,372,202**	14,070,981
Total 2021	169,917	13,740,515	160,549	14,070,981	

Analysis of direct costs

	Care and education activities 2022 £	Total funds 2022 £	Total funds 2021 £
Other direct costs	170,263	**170,263**	169,917
Total 2021	169,917	169,917	

Analysis of support costs

	Care and education activities 2022 £	Total funds 2022 £	Total funds 2021 £
Other support costs	411,919	**411,919**	147,723
Governance costs	60,020	**60,020**	12,826
	471,939	**471,939**	160,549
Total 2021	160,549	160,549	

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**8,000**	9,000
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**2,200**	1,750

10. Intangible assets

Group

	Goodwill £
Cost	
Additions	**502,128**
At 31 October 2022	**502,128**
Amortisation	
Charge for the year	**50,213**
At 31 October 2022	**50,213**
Net book value	
At 31 October 2022	**451,915**
At 31 October 2021	-

11. Tangible fixed assets

Group

	Freehold property £
Cost or valuation	
At 1 November 2021	**3,876,182**
On acquisition of subsidiaries	**775,000**
At 31 October 2022	**4,651,182**
Net book value	
At 31 October 2022	**4,651,182**
At 31 October 2021	3,876,182

11. Tangible fixed assets (continued)

Charity

	Freehold property £
Cost or valuation	
At 1 November 2021	**3,876,182**
At 31 October 2022	**3,876,182**
Net book value	
At 31 October 2022	**3,876,182**
At 31 October 2021	3,876,182

12. Fixed asset investments

Group	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2021	**3,035,030**
At 31 October 2022	**3,035,030**
Impairment	
At 1 November 2021	**3,035,022**
At 31 October 2022	**3,035,022**
Net book value	
At 31 October 2022	**8**
At 31 October 2021	8

12. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2021	**3,035,030**
Additions	**834,137**
At 31 October 2022	**3,869,167**
Impairment	
At 1 November 2021	**3,035,022**
At 31 October 2022	**3,035,022**
Net book value	
At 31 October 2022	**834,145**
At 31 October 2021	8

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Country	Principal activity	Holding
Catral Limited (07869713)	England	Letting and operating of real estate	100%

13. Debtors

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Due within one year				
Amounts owed by group undertakings	**-**	-	**32,500**	-
Amounts owed by related parties	**758,892**	1,115,332	**758,892**	1,115,332
Called up share capital not paid	**40**	-	**-**	-
Prepayments and accrued income	**27,460**	27,129	**27,460**	27,129
	786,392	1,142,461	**818,852**	1,142,461

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Bank loans	**217,419**	253,386	**207,419**	253,386
Trade creditors	**16,200**	-	**16,200**	-
Amounts owed to group undertakings	**878**	-	**-**	-
Amounts owed to related parties	**5,408**	-	**5,408**	-
Accruals and deferred income	**10,325**	45,864	**8,815**	45,864
	250,230	299,250	**237,842**	299,250

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Bank loans	**3,667,653**	3,327,163	**3,212,653**	3,327,163

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Between one and two years				
Bank loans	**670,726**	253,386	**215,726**	253,386
Between two and five years				
Bank loans	**700,227**	760,158	**700,227**	760,158
Over five years				
Bank loans	**2,296,700**	2,313,619	**2,296,700**	2,313,619

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Payable or repayable by instalments	**2,296,700**	2,313,619	**2,296,700**	2,313,619

The bank loans has a fixed and floating charge over freehold property of the Group and the Charity and all freehold and leasehold property vested in the Group and Charity both at present and in the future. The loan is repayable over 25 years and interest is charged at bank base rate plus 3%.

16. Financial instruments

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**355,552**	1,792,830	**273,180**	1,792,830

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Financial liabilities				
Financial liabilities measured at amortised cost	**3,879,518**	3,580,549	**2,498,565**	3,580,549

Financial assets measured at amortised cost comprise cash at bank, trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and other loans.

17. Business combinations

On 22 December 2021 the Charity acquired the entire issued share capital of Catral Limited. The book value and fair value of the assets and liabilities acquired were as follows and accounted for under the acquisition accounting method:

Acquisition of Catral Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	**610,826**	**164,174**	**775,000**
	610,826	**164,174**	**775,000**
Current Assets			
Debtors	**40**	**-**	**40**
Cash at bank and in hand	**16,970**	**-**	**16,970**
Total Assets	**627,836**	**164,174**	**792,010**
Creditors			
Due within one year	**(58,000)**	**-**	**(58,000)**
Due after more than one year	**(402,000)**	**-**	**(402,000)**
Total Identifiable net assets	**167,836**	**164,174**	**332,010**
Goodwill			**502,128**
Total purchase consideration			**834,138**

18. Summary of funds

Summary of funds - current year

	Balance at 1 November 2021 £	Income £	Expenditure £	Balance at 31 October 2022 £
General funds	3,185,068	514,300	(1,350,448)	**2,348,920**

. Summary of funds

Summary of funds - prior year

	Balance at 1 November 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 October 2021
	£	£	£	£	£
General funds	3,501,029	14,669,511	(14,070,981)	(914,491)	3,185,068

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022	**Total funds 2022**
	£	**£**
Tangible fixed assets	4,651,182	**4,651,182**
Intangible fixed assets	451,915	**451,915**
Fixed asset investments	8	**8**
Current assets	1,141,944	**1,141,944**
Creditors due within one year	(250,230)	**(250,230)**
Creditors due in more than one year	(3,667,653)	**(3,667,653)**
Total	2,327,166	**2,327,166**

19. Analysis of net assets (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,876,182	**3,876,182**
Fixed asset investments	8	**8**
Current assets	2,935,291	**2,935,291**
Creditors due within one year	(299,250)	**(299,250)**
Creditors due in more than one year	(3,327,163)	**(3,327,163)**
	3,185,068	**3,185,068**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	**(857,902)**	(315,961)
Adjustments for:		
Gift of investments to the public	**-**	1,814,647
Loss/(profit) on the sale of fixed assets	**-**	(26,124)
Decrease/(increase) in debtors	**356,109**	(1,119,282)
(Decrease)/increase in creditors	**(61,053)**	4,128
Interest paid	**168,782**	-
Net cash (used in)/provided by operating activities	**(394,064)**	357,408

21. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**355,552**	1,792,830
Total cash and cash equivalents	**355,552**	1,792,830

22. Analysis of changes in net debt

	At 1 November 2021 £	Cash flows £	At 31 October 2022 £
Cash at bank and in hand	**1,792,830**	**(1,437,278)**	**355,552**
Debt due within 1 year	**(253,386)**	**35,967**	**(217,419)**
Debt due after 1 year	**(3,327,163)**	**(340,490)**	**(3,667,653)**
	(1,787,719)	**(1,741,801)**	**(3,529,520)**

23. Operating lease commitments

At 31 October 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Land and buildings				
Not later than 1 year	**-**	170,324	**-**	170,324
Later than 1 year and not later than 5 years	**-**	681,295	**-**	681,295
Later than 5 years	**-**	936,906	**-**	936,906
	-	1,788,525	**-**	1,788,525

24. Related party transactions

Related party transactions between Group companies have not been disclosed in accordance with section 33 of FRS 102.

The Trustees were not paid or in receipt of any other benefits from employment with the Charity or its subsidiary in the year. No Trustees were reimbursed for travel expenses and no trustees were reimbursed for IT costs in the current and prior year. No Trustee received payment for professional or other services supplied to the Charity.

FAIR WAYS FOUNDATION

England & Wales - Charity number 1159854

Accounts

Registered number: 08979945
Charity number: 1159854

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 OCTOBER 2021

Trustees	Ms Anne Segall Mr David Pilgrim Mr Adrian Fry
Company registered number	08979945
Charity registered number	1159854
Registered office	Ground Floor Building 1000 Western Road Portsmouth PO6 3EZ
Company secretary	Mrs Vivien A Sheath
General Manager	Paul Moran
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 November 2020 to 31 October 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of the charity are to promote the upbringing and care of children and young people in need with a view to advancing them in life and helping them to develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.

b. Strategies and activities undertaken for achieving objectives

The strategies and activities employed to meet the Charity's objectives include advancing education, promoting health, relieving financial and other hardship and providing recreational and leisure time activity.

Strategic report

Achievements and performance

a. Main achievements of the Charity

The Trustees commend the efforts of all staff in responding to the constraints and restrictions imposed by the Covid 19 pandemic. The safety of the service users and all staff has been the primary focus. This has been achieved by rapid and rigorous segregation of care teams to minimise the risk of spreading the virus, and enabling staff to work from home wherever possible.

b. Key performance indicators

Delivering a high standard of care and education to all service users is paramount. The Charity (and its trading subsidiary) has robust internal quality audits and health and safety processes in place to ensure these high standards are achieved. During the year to 31 October 2020 all regulatory standards were met or exceeded.

A key factor to achieve any of our strategic goals is to ensure that we have highly trained, high performing staff at every level throughout the organisation. The charitable group increased the amount it spent on training from £640,000 in 2019 to £725,000 in 2020. Training spend represented 4.9% of turnover from care and education services (2019: 4.9%).

The outcomes for our service users is the most visible measure of our achievements. The Charitable group will continue to collate data and to develop a range of measures to determine success and ensure that such measures are independently verifiable.

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

During the year the Board met regularly to consider grant applications and support measures for staff in the trading company. The Board also resolved to support the re-registration of the trading company as an exempt charity and make a gift to the community to facilitate this.

d. Fundraising activities and income generation

The Charity does not employ fundraisers.

e. Investment policy and performance

The Trustees will continue to look for opportunities to invest in the acquisition of properties suitable for the provision of services to support the charitable activities of the Charity.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees intend to ensure that the charity and the operating business adopt a prudent approach to reserves.

In the short term the Trustees intend to ensure that sufficient dedicated reserves are retained as follows:
- Reserves equivalent to 3 months repayments of all property loans.

The trading company has a prudent reserves policy as follows:
- Reserves equivalent to 6 weeks of the salary bill of the trading company

These key performance indicators are reported to the Trustees on a quarterly basis.

At the year end total reserves of the charity stood at £3,185,068 of these £3,876,182 less associated debt of £3,580,549 are invested in tangible fixed assets.

c. Principal risks and uncertainties

The principal risks to the Charity are considered to be local authority cost constraints that could impact the services provided by its trading company and the risk of damage to the organisation’s excellent reputation in the provision of services to children and young people. The Trustees are satisfied that the principal and other risks are mitigated appropriately though the implementation of its risk strategy which comprises:

d. Financial risk management objectives and policies

The Charity maintains a cautious policy of developing services and building reserves. During the year it redeemed the outstanding loan notes and continues to build its reserves.

Structure, governance and management

a. Constitution

Fair Ways Foundation is a company limited by guarantee governed by a Deed of Governance dated 20 October 2014 and by its Memorandum and Articles of Association dated 4 April 2014. It is registered as a charity with the Charity Commission.

The charity and the group is constituted under a Memorandum of Association dated 21 October 2014 and is a registered charity number 1159854.

b. Methods of appointment or election of Trustees

Trustees determine the skill set and experience required for an effective board, and search for suitable candidates, using external advertising and recruitment agencies when appropriate. Candidates are interviewed, references taken, and are subject to DBS checks prior to appointment for an initial term, and subject to reappointment at the first AGM following their appointment.

c. Organisational structure and decision-making policies

The Trustees meet quarterly to review information prepared by management and make any decisions required. The day to day management of the charity is devolved to the management team as outlined in paragraph e. below.

d. Policies adopted for the induction and training of Trustees

All Trustees are given a bespoke induction course tailored to add to their prior experience. This includes introductions to senior staff in the operating company, visits to company care facilities, training centres, and schools, and attendance at professional adviser training courses.

Further opportunities for continuing professional development courses as a Trustee are also provided.

e. Pay policy for key management personnel

The Trustees, Chief Executive Officer, Company Secretary (Director of Finance) and the General Manager comprise the key operational management personnel of the group in charge of directing and controlling, running and operating the trading company on a day to day basis. All Trustees give of their time freely and are not remunerated. The remuneration of the managing director is set by a remuneration committee made up of Trustees. The CEO sets the pay for the executive team. Details of Trustee expenses are disclosed in Note 22 to the accounts.

f. Related party relationships

The Charity's trading subsidiary is Fairways Care (UK) Limited, a wholly owned limited company, which provides high quality social care and education services including school and foster placements, residential children’s homes, a post 16 service and a family assessment centre.

Structure, governance and management (continued)

g. Trustees' indemnities

The Trustees are covered by a qualifying third party indemnity policy. This policy was in place for all Trustees for the whole of the financial year.

Plans for future periods

The Charity operates independently from the trading operations of Fairway Care (UK) Limited, focused on the welfare of children and young and vulnerable people. The Charity will continue to focus on the delivery of activities set out in the “objectives and activities” section on page 2 of this report and with its grant making activities set out on page 2.

During the year to 31 October 2021, the group is committed to expanding its fostering provision and also to expanding its residential services as the new homes opened in 2020 become fully occupied. It also intends to enhance the outdoor facilities offered to young people placed within our crisis provision by setting up an outdoor activity centre in Wales. The company plans to further develop the services provided by its Therapeutic Hub, designed around the needs of our young people in order to maximise their potential to engage in services.

Engagement with employees and employment of the disabled

During the period to 31 August 2021, employees of the trading company have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Charity's equal opportunities policy, the Group has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Fair Ways aim is to ensure that the abilities of all people are recognised and valued at all levels of Fair Ways. This is achieved by providing any reasonable adjustments to ensure disabled people have access to our services and employment opportunities, challenging discriminatory assumptions about disabled people and seeking to continue to improve access to information by ensuring availability of loop systems, Braille facilities, alternative formatting and sign language interpretation.

Full details of these policies are available from the Charity's offices.

The Trustees wish to record their thanks to Alexander Burnfield who served as a trustee since the inception of the foundation in 2014 until his resignation in 2020.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 . 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Anne Segall
Anne Segall (Mar 23, 2022 20:35 GMT)

Ms A Segall
Chairman
Mar 23, 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FAIR WAYS FOUNDATION

Opinion

We have audited the financial statements of Fair Ways Foundation (the 'Charity') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 October 2021 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' 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FAIR WAYS FOUNDATION

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 Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' 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 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 Trustees'

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees' 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' 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' 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 to liquidate the Charity or to cease operations, or Trustees' 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 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 company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

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 the Charities Act 2011 and the Companies Act 2006.

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, revenue recognition (which we pinpointed to the cut-off assertion with specific focus on legacies and the timing of the recognition of these), and significant one-off or unusual transactions and allocation of funds.

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.

Jonathan Marchant (Senior statutory auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: Mar 24, 2022

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	**2,458,889**	**2,458,889**	1,298,593
Investments	5	**424,870**	**424,870**	393,688
Profit on sale of property		**26,124**	**26,124**	-
Total income		**2,909,883**	**2,909,883**	1,692,281
Expenditure on:				
Charitable activities	7	**1,411,197**	**1,411,197**	899,851
Total expenditure		**1,411,197**	**1,411,197**	899,851
Net income before net losses on investments		**1,498,686**	**1,498,686**	792,430
Gift of investment value to the community	11	**(3,035,022)**	**(3,035,022)**	-
Net movement in funds		**(1,536,336)**	**(1,536,336)**	792,430
Reconciliation of funds:				
Total funds brought forward		**4,721,404**	**4,721,404**	3,928,974
Net movement in funds		**(1,536,336)**	**(1,536,336)**	792,430
Total funds carried forward		**3,185,068**	**3,185,068**	4,721,404

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	10		**3,876,182**		3,294,666
Investments	11		**8**		3,035,030
			3,876,190		6,329,696
Current assets					
Debtors	12	**1,142,461**		23,179	
Cash at bank and in hand		**1,792,830**		1,721,108	
		2,935,291		1,744,287	
Creditors: amounts falling due within one year	13	**(299,250)**		(220,233)	
Net current assets			**2,636,041**		1,524,054
Total assets less current liabilities			**6,512,231**		7,853,750
Creditors: amounts falling due after more than one year	14		**(3,327,163)**		(3,132,346)
Total net assets			**3,185,068**		4,721,404
Charity funds					
Unrestricted funds			**3,185,068**		4,721,404
Total funds			**3,185,068**		4,721,404

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Anne Segall
Anne Segall (Mar 23, 2022 20:35 GMT)

Ms A Segall
Trustee
Mar 23, 2022

The notes on pages 14 to 27 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	**357,408**	627,649
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**229,167**	-
Purchase of tangible fixed assets	**(784,559)**	(28,200)
Net cash used in investing activities	**(555,392)**	**(28,200)**
Cash flows from financing activities		
Cash inflows from new borrowing	**479,500**	1,400,000
Repayments of borrowing	**(209,794)**	(1,987,994)
Net cash provided by/(used in) financing activities	**269,706**	**(587,994)**
Change in cash and cash equivalents in the year	**71,722**	**11,455**
Cash and cash equivalents at the beginning of the year	**1,721,108**	1,709,653
Cash and cash equivalents at the end of the year	**1,792,830**	1,721,108

The notes on pages 14 to 27 form part of these financial statements

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

1. General information

The charity is a private company limited by guarantee (company registered number 08979945 and charity registered number 1159854) registered in England and Wales. The registered office is Suite 8, Fairways House, Mount Pleasant Road, Southampton, Hampshire, SO14 0QB.

The presentation currency of the financial statements is sterling and the financial statements are rounded to the nearest £. The financial statements cover the current year ended 31 October 2020 and the comparative information relates to the year ended 31 October 2019.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fair Ways 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.

2.2 Going concern

The Trustees have considered the future cashflow position of the Charity and reviewed budgets for the period. The available cash reserves and the long term relationship with the lessor of the Charity's properties, Fair Ways Community Benefit Society gives the Trustees confidence that the Charity will continue to meet any liabilities as they fall due. As a result the accounts have been prepared on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- Nil
Short-term leasehold property	- Shorter of 15 years or remaining life of the lease
Motor vehicles	- Straight line over 3 years
Fixtures and fittings	- Straight line over 3 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.11 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from donations and legacies

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Donations	2,458,889	-	**2,458,889**	1,298,593
Total 2020	1,284,593	14,000	1,298,593	

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment properties	424,870	**424,870**	389,541
Bank Interest	-	**-**	4,147
	424,870	**424,870**	393,688
Total 2020	393,688	393,688	

6. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grants, Direct costs	1,080,731	**1,080,731**	484,940
Total 2020	484,940	484,940	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	1,411,197	-	**1,411,197**	899,851
Total 2020	885,851	14,000	899,851	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	169,917	1,080,731	160,549	**1,411,197**	899,852
Total 2020	146,133	484,940	268,779	899,852	

Analysis of direct costs

	Care and education activities 2021 £	Total funds 2021 £	Total funds 2020 £
Other direct costs	169,917	**169,917**	146,133
Total 2020	146,133	146,133	

Analysis of support costs

	Care and education activities 2021 £	Total funds 2021 £	Total funds 2020 £
Other support costs	147,723	**147,723**	261,496
Governance costs	12,826	**12,826**	7,283
	160,549	**160,549**	268,779
Total 2020	268,778	268,779	

9. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**9,000**	5,000
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**1,750**	5,100

10. Tangible fixed assets

	Freehold property
	£
Cost or valuation	
At 1 November 2020	**3,294,666**
Additions	**784,559**
Disposals	**(203,043)**
At 31 October 2021	**3,876,182**
Net book value	
At 31 October 2021	**3,876,182**
At 31 October 2020	3,294,666

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2020	**3,035,030**
At 31 October 2021	**3,035,030**
Impairment	
Charge for the year	**3,035,022**
At 31 October 2021	**3,035,022**
Net book value	
At 31 October 2021	**8**
At 31 October 2020	3,035,030

Principal subsidiaries

The charity owned 100% of the share capital of Fairways Care UK Limited until 31 August 2021 when that company converted to a Benefit Society. At 31 August 2021 the Charity ceased to control the new entity and recognised that the value of the investment has been impaired by way of giving ownership to the community.

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

12. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	**1,115,332**	-
Prepayments and accrued income	**27,129**	23,179
	1,142,461	23,179

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	**253,386**	178,497
Amounts owed to group undertakings	**-**	513
Accruals and deferred income	**45,864**	41,223
	299,250	220,233

14. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	**3,327,163**	3,132,346

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	**253,386**	188,020
Between two and five years		
Bank loans	**760,158**	610,325
Over five years		
Bank loans	**2,313,619**	2,334,001

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	**2,313,619**	2,334,001
	2,313,619	2,334,001

The bank loan has a fixed and floating charge over freehold property of the Charity and all freehold and leasehold property vested in the company both at present and in the future. The loan is repayable over 25 years and interest is charged at bank base rate plus 3%.

15. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,792,830**	3,867,663

Financial assets measured at amortised cost comprise cash at bank, trade and other debors.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank and other loans.

16. Summary of funds

Summary of funds - current year

	Balance at 1 November 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 October 2021
	£	£	£	£	£
General funds	**4,721,404**	**2,909,883**	**(1,411,197)**	**(3,035,022)**	**3,185,068**

Summary of funds - prior year

	Balance at 1 November 2019	Income	Expenditure	Balance at 31 October 2020
	£	£	£	£
General funds	4,086,595	14,954,306	(14,319,497)	4,721,404
Restricted funds	-	14,000	(14,000)	-
	4,086,595	14,968,306	(14,333,497)	4,721,404

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,876,182	**3,876,182**
Fixed asset investments	8	**8**
Current assets	2,935,291	**2,935,291**
Creditors due within one year	(299,251)	**(299,251)**
Creditors due in more than one year	(3,327,163)	**(3,327,163)**
Difference	1	**(1)**
Total	3,185,068	**3,185,068**

Analysis of net assets (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,769,850	**3,769,850**	3,769,820
Intangible fixed assets	1,099,639	**1,099,639**	1,099,639
Current assets	3,879,588	**3,879,588**	3,879,588
Creditors due within one year	(2,154,011)	**(2,154,011)**	(2,154,011)
Creditors due in more than one year	(3,723,261)	**(3,723,261)**	(3,723,261)
Provisions for liabilities and charges	(5,555)	**(5,555)**	(5,555)
	2,866,250	**2,866,250**	2,866,220

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(1,536,336)**	792,430
Adjustments for:		
Gift of investment to the public	**3,035,022**	-
(Profit) on the sale of fixed assets	**(26,124)**	-
(Increase)/decrease in debtors	**(1,119,282)**	3,333
Increase/(decrease) in creditors	**4,128**	(168,114)
Net cash provided by operating activities	**357,408**	627,649

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	**1,792,830**	1,721,108
Total cash and cash equivalents	**1,792,830**	1,721,108

20. Analysis of changes in net debt

	At 1 November 2020 £	Cash flows £	At 31 October 2021 £
Cash at bank and in hand	**1,721,108**	**71,722**	**1,792,830**
Debt due within 1 year	**(178,497)**	**(74,889)**	**(253,386)**
Debt due after 1 year	**(3,132,346)**	**(194,817)**	**(3,327,163)**
	(1,589,735)	**(197,984)**	**(1,787,719)**

21. Operating lease commitments

At 31 October 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Land and buildings		
Not later than 1 year	**170,324**	245,699
Later than 1 year and not later than 5 years	**681,295**	982,796
Later than 5 years	**936,906**	1,161,951
	1,788,525	2,390,446

22. Related party transactions

Related party transactions between group companies have not been disclosed in accordance with section 33 of FRS 102.

The Trustees were not paid or in receipt of any other benefits from employment with the Charity or its subsidiary in the year. No Trustees were reimbursed (2020: £80 to one Trustee) for travel expenses and no trustees were reimbursed (2020: £733) for IT costs in the year. No Trustee received payment for professional or other services supplied to the Charity.

FAIR WAYS FOUNDATION

England & Wales - Charity number 1159854

Accounts

Registered number: 08979945
Charity number: 1159854

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 OCTOBER 2020

Trustees	Mr Ian Davies,	Chairman
	Ms Anne Segall	
	Mr David Pilgrim	
	Mr Adrian Fry	
	Dr. Alexander Burnfield,	(resigned 18/12/2020)
Company registered number	08979945	
Charity registered number	1159854	
Registered office	Suite 8, Fairways House Mount Pleasant Road Southampton Hampshire SO14 0QB	
Company secretary	Mrs Vivien A Sheath	
General Manager	Paul Moran	
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP	
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB	

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 November 2019 to 31 October 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015) as amended by Update Bulletins 1 and 2.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The objectives of our Charity are to:

- Address social exclusion
- Improve health and wellbeing
- Promote education and literacy
- Support vulnerable children and young people
- Support vulnerable people and families

The vision that shapes our annual activities remains the promotion and fostering of knowledge of the plight of children and young people in the care system and vulnerable people and enabling these conditions to be addressed.

b. Strategies and activities undertaken for achieving objectives

The strategies and activities employed to meet the Charity's objectives include:

Establishing and administering annual education bursaries or grants for young people who have left the Care system. The Foundation will ensure that further education opportunities will be available to individuals who otherwise would not have this opportunity.

Support, financially or otherwise, services delivered to young people in need who otherwise would not qualify for the funding that is required to meet that identified need – such as therapy delivered by qualified BACP Registered therapists.

Acquire or develop property to provide suitable accommodation for care leavers who otherwise would not qualify for adult services support.

Promote and educate society with respect to the plight of looked after children and young persons.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Strategic report

Achievements and performance

a. Main achievements of the Charity

The Trustees commend the efforts of all staff in responding to the constraints and restrictions imposed by the Covid 19 pandemic. The safety of the service users and all staff has been the primary focus. This has been achieved by rapid and rigorous segregation of care teams to minimise the risk of spreading the virus, and enabling staff to work from home wherever possible.

b. Key performance indicators

Delivering a high standard of care and education to all service users is paramount. The Charitable group has robust internal quality audits and health and safety processes in place to ensure these high standards are achieved. During the year to 31 October 2020 all regulatory standards were met or exceeded.

A key factor to achieve any of our strategic goals is to ensure that we have highly trained, high performing staff at every level throughout the organisation. The charitable group increased the amount it spent on training from £640,000 in 2019 to £725,000 in 2020. Training spend represented 4.9% of turnover from care and education services (2019: 4.9%).

The outcomes for our service users is the most visible measure of our achievements. The Charitable group will continue to collate data and to develop a range of measures to determine success and ensure that such measures are independently verifiable.

c. Review of activities

Fairways Care (UK) Limited had another successful year looking after 588 service users (2019: 420) on behalf of 29 local authorities (2019: 21).

The Foundation has made grants to enable a group of young people (who are service users) to undertake a trip to the Atlas mountains. Unfortunately the trip, which was scheduled to take place in 2020, had to be deferred due to the Covid-19 pandemic, but the costs have been incurred and the trip will take place when restrictions are lifted and travel is possible.

The Trustees redeemed the outstanding loan notes from a combination of accumulated reserves and a smaller banking facility.

d. Fundraising activities and income generation

The Charity does not employ fundraisers.

e. Investment policy and performance

The Trustees will continue to look for opportunities to invest in the acquisition of properties to assist the activities of the trading business.

Strategic report (continued)

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees intend to ensure that the charity and the operating business adopt a prudent approach to reserves.

In the short term the Trustees intend to ensure that sufficient dedicated reserves are retained as follows:
- Reserves equivalent to 3 months repayments of all property loans.

The trading company has a prudent reserves policy as follows:
- Reserves equivalent to 6 weeks of the salary bill of the trading company

These key performance indicators are reported to the Trustees on a quarterly basis.

At the year end total reserves of the group stood at £3,501,029 of these £3,917,222 less associated debt of £3,310,843 are invested in tangible fixed assets.

c. Principal risks and uncertainties

The principal risks to the Charity are considered to be local authority cost constraints that could impact the services provided by its trading company and the risk of damage to the organisation's excellent reputation in the provision of services to children and young people. The Trustees are satisfied that the principal and other risks are mitigated appropriately though the implementation of its risk strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

In addition, the issue of risk management is a key imperative for Fair Ways and the trading company has comprehensive policies and procedures in place. Risk management is a key element in the quarterly managing director reports to Trustees.

The risks from COVID-19 are the most significant risks to the activities of the trading company, which has contingency plans regularly updated.

d. Financial risk management objectives and policies

The Charity maintains a cautious policy of developing services and building reserves. During the year it redeemed the outstanding loan notes and continues to build its reserves.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Structure, governance and management

a. Constitution

Fair Ways Foundation is a company limited by guarantee governed by a Deed of Governance dated 20 October 2014 and by its Memorandum and Articles of Association dated 4 April 2014. It is registered as a charity with the Charity Commission.

The charity and the group is constituted under a Memorandum of Association dated 21 October 2014 and is a registered charity number 1159854.

b. Methods of appointment or election of Trustees

Trustees determine the skill set and experience required for an effective board, and search for suitable candidates, using external advertising when appropriate. Candidates are interviewed, references taken, and are subject to DBS checks prior to appointment for an initial term, and subject to reappointment at the first AGM following their appointment.

c. Organisational structure and decision-making policies

The Trustees meet quarterly to review information prepared by management and make any decisions required. The day to day management of the charity is devolved to the management team as outlined in paragraph e. below.

d. Policies adopted for the induction and training of Trustees

All Trustees are given a bespoke induction course tailored to add to their prior experience. This includes introductions to senior staff in the operating company, visits to company care facilities, training centres, and schools, and attendance at professional adviser training courses.

Further opportunities for continuing professional development courses as a Trustee are also provided.

e. Pay policy for key management personnel

The Trustees, Chief Executive Officer, Company Secretary (Director of Finance) and the General Manager comprise the key operational management personnel of the group in charge of directing and controlling, running and operating the trading company on a day to day basis. All Trustees give of their time freely and are not remunerated. The remuneration of the managing director is set by a remuneration committee made up of Trustees. The managing director sets the pay for the executive team. Details of Trustee expenses are disclosed in Note 10 to the accounts.

f. Related party relationships

The Charity's trading subsidiary is Fairways Care (UK) Limited, a wholly owned limited company, which provides high quality social care and education services including school and foster placements, residential children’s homes, a post 16 service and a family assessment centre.

Structure, governance and management (continued)

g. Trustees' indemnities

The Trustees are covered by a qualifying third party indemnity policy. This policy was in place for all Trustees for the whole of the financial year.

Plans for future periods

The Charity operates independently from the trading operations of Fairway Care (UK) Limited, focused on the welfare of children and young and vulnerable people. The Charity will continue to focus on the delivery of activities set out in the “objectives and activities” section on page 2 of this report and with its grant making activities set out on page 2.

During the year to 31 October 2021, the group is committed to expanding its fostering provision and also to expanding its residential services as the new homes opened in 2020 become fully occupied. It also intends to enhance the outdoor facilities offered to young people placed within our crisis provision by setting up an outdoor activity centre in Wales. The company plans to further develop the services provided by its Therapeutic Hub, designed around the needs of our young people in order to maximise their potential to engage in services.

Engagement with employees and employment of the disabled

Employees of the trading company have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group's equal opportunities policy, the Group has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Fair Ways aim is to ensure that the abilities of all people are recognised and valued at all levels of Fair Ways. This is achieved by providing any reasonable adjustments to ensure disabled people have access to our services and employment opportunities, challenging discriminatory assumptions about disabled people and seeking to continue to improve access to information by ensuring availability of loop systems, Braille facilities, alternative formatting and sign language interpretation.

Full details of these policies are available from the Charity's offices.

The Trustees wish to record their thanks to Alexander Burnfield who served as a trustee since the inception of the foundation in 2014 until his resignation in 2020.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on and signed on their behalf by:

Ian Davies
Ian Davies (Jan 21, 2021 15:10 GMT)

Mr Ian Davies
Chairman
21 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR WAYS FOUNDATION

Opinion

We have audited the financial statements of Fair Ways Foundation (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 October 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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 Group's and parent affairs as at 31 October 2020 and of the Group's 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

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 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 Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' 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 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 2, 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 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 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 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 these financial statements.

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 company's members as a body for our audit work, for this report, or for the opinions we have formed.

Jonathan Marchant
Jonathan Marchant (Jan 21, 2021 15:18 GMT)

Jonathan Marchant (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

21 January 2021

FAIR WAYS FOUNDATION

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	**145,157**	**14,000**	**159,157**	180,579
Charitable activities	5	**14,804,358**	**-**	**14,804,358**	13,195,096
Investments	6	**4,791**	**-**	**4,791**	6,852
Total income		**14,954,306**	**14,000**	**14,968,306**	13,382,527
Expenditure on:					
Charitable activities	8	**14,319,497**	**14,000**	**14,333,497**	12,711,732
Total expenditure		**14,319,497**	**14,000**	**14,333,497**	12,711,732
Net movement in funds		**634,809**	**-**	**634,809**	670,795
Reconciliation of funds:					
Total funds brought forward		**2,866,220**	**-**	**2,866,220**	2,195,425
Net movement in funds		**634,809**	**-**	**634,809**	670,795
Total funds carried forward		**3,501,029**	**-**	**3,501,029**	2,866,220

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 35 form part of these financial statements.

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	12		**908,398**		1,099,639
Tangible assets	13		**3,917,222**		3,769,820
			4,825,620		4,869,459
Current assets					
Debtors	15	**1,578,211**		1,192,653	
Cash at bank and in hand		**2,522,784**		2,686,935	
		4,100,995		3,879,588	
Creditors: amounts falling due within one year	16	**(2,287,685)**		(2,156,932)	
Net current assets			**1,813,310**		1,722,656
Total assets less current liabilities			**6,638,930**		6,592,115
Creditors: amounts falling due after more than one year	17		**(3,132,346)**		(3,720,340)
Provisions for liabilities			**(5,555)**		(5,555)
Total net assets			**3,501,029**		2,866,220
Charity funds					
Unrestricted funds	20		**3,501,029**		2,866,220
Total funds			**3,501,029**		2,866,220

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ian Davies
Ian Davies (Jan 21, 2021 15:10 GMT)

Mr Ian Davies
(Chairman)
21 January 2021

The notes on pages 15 to 35 form part of these financial statements.

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	13		**3,294,666**		3,266,466
Investments	14		**3,035,030**		3,035,030
			6,329,696		6,301,496
Current assets					
Debtors	15	**23,179**		26,512	
Cash at bank and in hand		**1,721,108**		1,709,653	
		1,744,287		1,736,165	
Creditors: amounts falling due within one year	16	**(220,233)**		(388,347)	
Net current assets			**1,524,054**		1,347,818
Total assets less current liabilities			**7,853,750**		7,649,314
Creditors: amounts falling due after more than one year	17		**(3,132,346)**		(3,720,340)
Total net assets			**4,721,404**		3,928,974
Charity funds					
Unrestricted funds	20		**4,721,404**		3,928,974
Total funds			**4,721,404**		3,928,974

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ian Davies
Ian Davies (Jan 21, 2021 15:10 GMT)

Mr Ian Davies
(Chairman)
21 January 2021

The notes on pages 15 to 35 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	**848,569**	1,250,799
Cash flows from investing activities		
Dividends, interests and rents from investments	**4,791**	6,852
Proceeds from the sale of tangible fixed assets	**6,684**	11,049
Purchase of tangible fixed assets	**(314,082)**	(444,737)
Net cash used in investing activities	**(302,607)**	**(426,836)**
Cash flows from financing activities		
Cash inflows from new borrowing	**1,400,000**	133,000
Repayments of borrowing	**(2,110,113)**	(286,333)
Net cash used in financing activities	**(710,113)**	**(153,333)**
Change in cash and cash equivalents in the year	**(164,151)**	**670,630**
Cash and cash equivalents at the beginning of the year	**2,686,935**	2,016,305
Cash and cash equivalents at the end of the year	**2,522,784**	2,686,935

The notes on pages 15 to 35 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

The charity is a private company limited by guarantee (company registered number 08979945 and charity registered number 1159854) registered in England and Wales. The registered office is Suite 8, Fairways House, Mount Pleasant Road, Southampton, Hampshire, SO14 0QB.

The presentation currency of the financial statements is sterling and the financial statements are rounded to the nearest £. The financial statements cover the current year ended 31 October 2020 and the comparative information relates to the year ended 31 October 2019.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fair Ways 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The income and expenditure account for the year for the charity was a surplus of £601,188 (2019 - £554,342).

2.2 Going concern

The group continues to provide essential care services and its frontline employees have key worker status to enable them to continue their roles. Funding for this care is also anticipated to continue at budgeted levels. Management have prepared forecasts to consider a variety of scenarios in relation to the continuing impact of the pandemic which focus on robust contingency plans to ensure staffing levels are maintained at the required levels. These plans could lead to higher employment costs and an impact on costs and liquidity over the course of the pandemic, but management's assessment is that these will not be at a level which would significantly impair the group's financial resilience. As a result, the accounts have been presented on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Customer relations	-	10 %	Straight line

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- Nil
Short-term leasehold property	- Shorter of 15 years or remaining life of the lease
Motor vehicles	- Straight line over 3 years
Fixtures and fittings	- Straight line over 3 years

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.13 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

The Charity does not charge depreciation on its freehold properties. The properties are required to be maintained at an extremely high standard to serve their service users and as a result of this, and previous valuations demonstrating increases in value, the Trustees believe that the residual value of the property portfolio would mean that any depreciation charge would be immaterial.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	2,593	14,000	**16,593**	2,622
Grants	142,564	-	**142,564**	177,957
	145,157	14,000	**159,157**	180,579
Total 2019	180,579	-	180,579	

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Provision of care and education activities	14,804,358	**14,804,358**	13,195,096
Total 2019	13,195,096	13,195,096	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income - local cash	4,791	**4,791**	6,852
Total 2019	6,852	6,852	

7. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £	Total funds 2019 £
Grants, Direct costs	32,650	**32,650**	37,627
Total 2019	37,627	37,627	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	14,319,497	14,000	**14,333,497**	12,711,732
Total 2019	12,711,732	-	12,711,732	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	11,386,161	32,650	2,914,686	**14,333,497**	12,711,732
Total 2019	10,232,158	37,627	2,441,947	12,711,732	

Analysis of direct costs

	Care and education activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	7,430,231	**7,430,231**	6,091,240
Other direct costs	3,955,930	**3,955,930**	4,140,918
	11,386,161	**11,386,161**	10,232,158
Total 2019	10,232,158	10,232,158	

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Care and education activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,767,672	**1,767,672**	1,578,211
Depreciation	154,470	**154,470**	116,943
Other support costs	785,559	**785,559**	535,424
Governance costs	206,985	**206,985**	211,369
	2,914,686	**2,914,686**	2,441,947
Total 2019	2,441,947	2,441,947	

10. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**5,000**	3,580
Fees payable to the Charity's auditor in respect of:		
Fees payable to the Charity's auditors in respect of the audit of its subsidiary	**9,000**	7,525
All non-audit services not included above	**5,100**	7,257

11. Staff costs

	Group 2020 £	Group 2019 £
Wages and salaries	**8,266,349**	6,915,486
Social security costs	**696,224**	565,683
Contribution to defined contribution pension schemes	**235,330**	188,283
	9,197,903	7,669,452

11. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	Group 2020 No.	Group 2019 No.
Directors	**6**	6
Maintenance	**6**	5
Admin	**67**	40
Direct staff	**227**	235
	306	286

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	**5**	2
In the band £70,001 - £80,000	**1**	1
In the band £80,001 - £90,000	**1**	1
In the band £100,001 - £110,000	**1**	1
In the band £110,001 - £120,000	**-**	1
In the band £120,001 - £130,000	**1**	-

The key management personnel of the group comprise those of the Charity (the Trustees), the Chief Executive Officer, the General Manager and the Chief Finance Officer. The aggregate remuneration and benefits for key management personnel total £298,433 (2019: £312,444).

12. Intangible assets

Group

	Customer relations £
Cost	
At 1 November 2019	**1,912,413**
At 31 October 2020	**1,912,413**
Amortisation	
At 1 November 2019	**812,774**
Charge for the year	**191,241**
At 31 October 2020	**1,004,015**
Net book value	
At 31 October 2020	**908,398**
At 31 October 2019	1,099,639

13. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 November 2019	**3,266,466**	**597,462**	**154,827**	**365,197**	**4,383,952**
Additions	**28,200**	**126,067**	**41,944**	**117,871**	**314,082**
Disposals	**-**	**(31,315)**	**(25,580)**	**(32,429)**	**(89,324)**
At 31 October 2020	**3,294,666**	**692,214**	**171,191**	**450,639**	**4,608,710**
Depreciation					
At 1 November 2019	**-**	**249,260**	**70,997**	**293,875**	**614,132**
Charge for the year	**-**	**57,570**	**49,057**	**47,843**	**154,470**
On disposals	**-**	**(25,790)**	**(19,894)**	**(31,430)**	**(77,114)**
At 31 October 2020	**-**	**281,040**	**100,160**	**310,288**	**691,488**
Net book value					
At 31 October 2020	**3,294,666**	**411,174**	**71,031**	**140,351**	**3,917,222**
At 31 October 2019	3,266,466	348,202	83,830	71,322	3,769,820

13. Tangible fixed assets (continued)

Charity

	Freehold property £
Cost or valuation	
At 1 November 2019	**3,266,466**
Additions	**28,200**
At 31 October 2020	**3,294,666**
At 31 October 2020	**-**
Net book value	
At 31 October 2020	**3,294,666**
At 31 October 2019	3,266,466

14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2019	**3,035,030**
At 31 October 2020	**3,035,030**
Net book value	
At 31 October 2020	**3,035,030**
At 31 October 2019	3,035,030

14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
Fairways Care (UK) Limited	04460658	Fairways House, Mount Pleasant Road, Southampton, Hampshire,SO14 0QB	the provision of social, educational and health care services to children	Ordinary	100%	Yes

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
Fairways Care (UK) Limited	**15,399,856**	**14,084,235**	**1,315,621**	**906,260**

15. Debtors

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Due within one year				
Trade debtors	**1,270,460**	900,307	**-**	-
Other debtors	**74,419**	46,592	**-**	-
Prepayments and accrued income	**233,332**	245,754	**23,179**	26,512
	1,578,211	1,192,653	**23,179**	26,512

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Bank loans	**178,497**	58,979	**178,497**	58,979
Other loans	**-**	241,637	**-**	241,637
Trade creditors	**227,305**	149,880	**-**	-
Amounts owed to group undertakings	**-**	-	**513**	44,801
Other taxation and social security	**261,025**	291,330	**-**	-
Pension fund loan payable	**17,201**	12,273	**-**	-
Other creditors	**581,101**	525,526	**-**	-
Accruals and deferred income	**1,022,556**	877,307	**41,223**	42,930
	2,287,685	2,156,932	**220,233**	388,347

	Group 2020 £	Group 2019 £
Deferred income at 1 November 2019	**598,320**	553,389
Resources deferred during the year	**623,894**	598,320
Amounts released from previous periods	**(598,320)**	(553,389)
	623,894	598,320

17. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Bank loans	**3,132,346**	1,922,778	**3,132,346**	1,922,778
Other loans	**-**	1,797,562	**-**	1,797,562
	3,132,346	3,720,340	**3,132,346**	3,720,340

Included within the above are amounts falling due as follows:

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Between one and two years				
Bank loans	**188,020**	62,499	**188,020**	62,499
Between two and five years				
Bank loans	**610,325**	203,342	**610,325**	203,342
Other loans	**-**	1,175,668	**-**	1,175,668
Over five years				
Bank loans	**2,334,001**	1,656,937	**2,334,001**	1,656,937
Other loans	**-**	621,894	**-**	621,894

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Payable or repayable by instalments	**2,334,001**	2,278,646	**2,334,001**	2,278,646
	2,334,001	2,278,646	**2,334,001**	2,278,646

The bank loan has a fixed and floating charge over freehold property of the Charity and all freehold and leasehold property vested in the company both at present and in the future. The loan is repayable over 25 years and interest is charged at bank base rate plus 3%.

18. Financial instruments

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**3,867,663**	3,633,834	**1,721,108**	1,709,653

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Financial liabilities				
Financial liabilities measured at amortised cost	**(4,119,249)**	(4,696,362)	**(3,310,843)**	(4,020,956)

Financial assets measured at amortised cost comprise cash at bank, trade and other debors.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank and other loans.

19. Deferred taxation

	2020 £	2019 £
Group and Charity		
At the beginning of the period	**5,555**	5,555
	5,555	5,555

The deferred tax balance is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	**5,555**	5,555
	(5,555)	(5,555)

20. Statement of funds

Statement of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
Unrestricted funds				
General Fund	**2,362,183**	**14,954,306**	**(14,319,497)**	**2,996,992**
Revaluation reserve	**504,037**	**-**	**-**	**504,037**
	2,866,220	**14,954,306**	**(14,319,497)**	**3,501,029**
Restricted funds				
Restricted Fund	**-**	**14,000**	**(14,000)**	**-**
Total of funds	**2,866,220**	**14,968,306**	**(14,333,497)**	**3,501,029**

Statement of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Balance at 31 October 2019 £
Unrestricted funds				
General Fund	1,691,388	13,382,526	(12,711,731)	2,362,183
Revaluation reserve	504,037	-	-	504,037
	2,195,425	13,382,526	(12,711,731)	2,866,220

21. Summary of funds

Summary of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
Unrestricted funds	**2,866,220**	**14,954,306**	**(14,319,497)**	**3,501,029**
Restricted funds	**-**	**14,000**	**(14,000)**	**-**
	2,866,220	**14,968,306**	**(14,333,497)**	**3,501,029**

Summary of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Balance at 31 October 2019 £
Unrestricted funds	2,195,425	13,382,526	(12,711,731)	2,866,220

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,917,222	**3,917,222**
Intangible fixed assets	908,398	**908,398**
Current assets	4,100,995	**4,100,995**
Creditors due within one year	(2,287,685)	**(2,287,685)**
Creditors due in more than one year	(3,132,346)	**(3,132,346)**
Provisions for liabilities and charges	(5,555)	**(5,555)**
Total	3,501,029	**3,501,029**

Analysis of net assets (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,769,820	**3,769,820**
Intangible fixed assets	1,099,639	**1,099,639**
Current assets	3,879,588	**3,879,588**
Creditors due within one year	(2,154,011)	**(2,154,011)**
Creditors due in more than one year	(3,723,261)	**(3,723,261)**
Provisions for liabilities and charges	(5,555)	**(5,555)**
	2,866,220	**2,866,220**

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	**634,809**	670,795
Adjustments for:		
Depreciation charges	**154,470**	308,185
Amortisation charges	**191,241**	-
Dividends, interests and rents from investments	**(4,791)**	(6,852)
Loss/(profit) on the sale of fixed assets	**5,526**	(1,305)
Decrease/(increase) in debtors	**(385,558)**	126,224
Increase in creditors	**252,872**	153,752
Net cash provided by operating activities	**848,569**	1,250,799

24. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	**2,522,784**	2,686,935
Total cash and cash equivalents	**2,522,784**	2,686,935

25. Analysis of changes in net debt

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	**2,686,935**	**(164,151)**	**2,522,784**
Debt due within 1 year	**(312,888)**	**117,190**	**(195,698)**
Debt due after 1 year	**(3,720,340)**	**587,994**	**(3,132,346)**
	(1,346,293)	**541,033**	**(805,260)**

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £235,330 (2019: £188,283). Contributions totalling £40,281 (2019: £36,207) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 October 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	**Charity 2020 £**	Charity 2019 £
Land and buildings				
Not later than 1 year	**701,873**	359,781	**245,699**	146,133
Later than 1 year and not later than 5 years	**2,165,781**	1,015,907	**982,796**	584,531
Later than 5 years	**2,529,422**	1,501,041	**1,161,951**	1,061,650
	5,397,076	2,876,729	**2,390,446**	1,792,314

28. Related party transactions

Related party transactions between group companies have not been disclosed in accordance with section 33 of FRS 102.

The Trustees were not paid or in receipt of any other benefits from employment with the Charity or its subsidiary in the year. One Trustee was reimbursed £80 (2019: £730 to one Trustee) for travel expenses and one trustee was reimbursed £733 for IT costs in the year. No Trustee received payment for professional or other services supplied to the Charity.

The Independent Director Limited, a company in which I Davies (a Trustee) has an interest provided business consultancy services to Fairways Care (UK) Limited, the Charity's subsidiary, amounting to £26,900 (2019: £26,700).