

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

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 through 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

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 Flows the 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.

INDEPENDENT AUDITOR'S REPORT TO THE OF FAIR WAYS FOUNDATION

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.

INDEPENDENT AUDITOR'S REPORT TO THE OF FAIR WAYS FOUNDATION

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.

INDEPENDENT AUDITOR'S REPORT TO THE OF FAIR WAYS FOUNDATION

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.

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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.

FAIR WAYS FOUNDATION
(A Company Limited by Guarantee)

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)
Acquisition 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.

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

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.

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

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
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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.

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

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
	<u>92</u>	<u>92</u>	<u>14,192,211</u>
	<u>14,192,211</u>	<u>14,192,211</u>	
Total 2021			

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

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	

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

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	

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

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	-

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

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

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

11. Tangible fixed assets (continued)

Charity

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

12. Fixed asset investments

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

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

12. Fixed asset investments (continued)

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

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%

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

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.

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

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%.

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

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.

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FOR THE YEAR ENDED 31 OCTOBER 2022**

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
	<u>610,826</u>	<u>164,174</u>	<u>775,000</u>
Current Assets			
Debtors	40	-	40
Cash at bank and in hand	16,970	-	16,970
	<u>627,836</u>	<u>164,174</u>	<u>792,010</u>
Total Assets			
Creditors			
Due within one year	(58,000)	-	(58,000)
Due after more than one year	(402,000)	-	(402,000)
	<u>167,836</u>	<u>164,174</u>	<u>332,010</u>
Total Identifiable net assets			
			<u>502,128</u>
Total purchase consideration			<u>834,138</u>

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
	<u>3,185,068</u>	<u>514,300</u>	<u>(1,350,448)</u>	<u>2,348,920</u>

FAIR WAYS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

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

FAIR WAYS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

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)
	<u>3,185,068</u>	<u>3,185,068</u>

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	<u>(394,064)</u>	<u>357,408</u>

FAIR WAYS FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

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

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

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.