

FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)

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

Trustees	J Bonehill A Dodds J Fleming T Levitt R Maverick L Melvin J Moore H Talbot-Tomlinson (appointed 1 May 2024)
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Company registered number	08991099
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Charity registered number and Scottish Charity registered number	1161809 & SC046556
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Registered office	Unit 8 Elm Court Meriden Business Park Copse Drive Coventry CV5 9RG
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Company secretary	C Bennett
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Chief executive officer	S Dukes
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Independent auditors	Bishop Fleming LLP Chartered Accountants 1-3 College Yard Worcester WR1 2LB
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Annual report together with the audited financial statements of the company for the 1 January 2023 to 31 December 2023. 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).

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 has been omitted.

The company and the group is constituted under a Trust deed and is a registered charity, under charity number 1161809 (England and Wales) & SC046556 (Scotland).

Originally called Fair for You Limited, in 2022 the Charity made the decision to change its name to The Fair Credit Charity to reduce confusion with its CIC. The Charity has continued to provide oversight and monitoring of the governance and development of its subsidiary lending organisation, Fair for You Enterprise CIC. Furthermore, the Charity continues to seek to influence how the financial sector lends to lower-income individuals as well as lobbying for greater recognition of the impacts of high-interest and predatory lending and the poverty premium.

The Fair Credit Charity is the sole member of Fair for You Enterprise CIC; a Community Interest Company which provides loans to families with low financial resilience. The Fair Credit Charity's balance sheet includes Fair for You Enterprise CIC's lending activities. The lending activities of the CIC are financed by external investors. Such investment may take the format of equity and/or debt. For a detailed breakdown of the Fair Credit Charity's financial performance, excluding the business activities of the CIC, please refer to the Fair Credit Charity statement of financial activities.

Objectives and activities

a. Policies and objectives

The principal objects of Fair Credit Charity Ltd (the Charity) are for the public benefit to:

1. Advance education in relation to money and debt management;
2. Relieve financial hardship and distress; and
3. Prevent and relieve poverty.

Including without limitation through the advancement, provision and facilitation of affordable sources of credit and other financial services to individuals in low income households, with a view to enabling such persons to rent and/or own basic goods for the home and other everyday purposes with a view to preventing such persons from falling prey to unscrupulous or usurious providers of credit.

b. Strategies for achieving objectives

The Trustees believe that credit specifically aimed at lower income households needs to be highly visible, highly flexible, with a holistic and supportive service delivered with a high level of care.

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

Objectives and activities (CONTINUED)

c. Activities undertaken to achieve objectives

The Charity established a not for profit subsidiary, Fair for You Enterprise CIC (the CIC), which commenced trading in late 2015. The subsidiary's objective is to deliver the lending solution that meets the modern borrowing needs identified by the Charity.

The Charity is committed to quality and informed, independent social impact reporting on the effects of high cost credit on low income households.

We are committed to campaign and work with others on broader issues of poverty and the need to make the lending environment fairer to people on low incomes.

Achievements and performance

a. Main achievements of the Charity

With three new Trustees joining the Charity Board in December 2022, this year was the first full 12 month period with new voices around the table. Their arrival has been an opportunity to identify and pursue an area of focus for 2023 using their expertise.

As a result, the principal activities of the charity in 2023 have been around thought leadership in banking for the financially excluded and participation in . Led by Finance Innovation Lab, this calls for a Fair Banking Act, under which banks would be rated in relation to their commitments and action to reduce financial exclusion. It would also encourage the sector to work with community lenders, such as Fair for You.

Articles sponsored by the charity and its Trustees, expressing its support for the campaign, appeared in LabourList and The Banker, the charity's name and logo appeared on a number of campaign materials, and the charity's chief executive attended a campaign event in parliament.

Elsewhere this was a year of reviewing and enhancing the charity's communications and making preparations for being more vocal and prominent in 2024 (and beyond). This included establishing for the first time a presence on both LinkedIn and X (formerly Twitter), as well as making initial improvements to its website. In addition, research was conducted among a group of customers who used Fair for You's services during its first year of operation; they were asked how the financial situation has evolved or changed in the years since, as a result of using Fair for You. This will be used in a whitepaper to be published in 2024.

Based on the progress in 2023, and in order to make a gear change in activity in 2024, the Charity decided to use its reserves to recruit a Charity-specific administrator in early 2024 and to bring on board new Trustees to help with continuity given planned retirements in 2024 and 2025.

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

Achievements and performance (CONTINUED)

b. Key performance indicators

The Group has in the period ending 31 December 2023 showed a consolidated movement in funds of £218,227 (2022: £1,309,932). At 31 December 2023, the Group had consolidated reserves of £3,498,064 (2022: £3,279,837).

These results include the results of the trading subsidiary, Fair for You Enterprise CIC. Since inception, Fair for You Enterprise CIC has supported more than 83,000 families across the UK through loans totalling over £80m.

The performance and position of the Group includes the income, assets and liabilities of Fair for You Enterprise CIC. For a detailed breakdown of the Fair Credit Charity's financial performance, excluding the business activities of the CIC, please refer to the Fair Credit Charity statement of financial activities.

c. Review of activities

The Charity continues to seek research partners to advance the needs of the demographic that we seek to serve.

The Charity has provided oversight and monitored the governance and development of the subsidiary lending organisation.

The Charity Trustees have ensured that at all time a suitably skilled and engaged board have been in evidence and monitored the risk management, funding strategy and business plan delivery.

The established niche lending business and brand has been expanded and grown throughout 2022, which has been welcomed by the demographic the Charity seeks to serve. The business is actively looking at funding lines with a view to further growth and scale.

d. Investment policy and performance

The investment in Fair For You Enterprise CIC may see a future return to the Charity once the business is fully established and sustainable. That time may now be imminent. At this time, only costs are being covered by the subsidiary and no return for the investment is sought.

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

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group 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.

Fair Credit Charity is solely reliant on the performance of its wholly owned subsidiary Fair For You Enterprise CIC.

During the year ended 31 December 2023, Fair For You Enterprise CIC delivered a net profit of £30,365 (2022: loss of £2,505). At the year end, it had net assets of £3,484,842 (2022: £3,271,314) and net current assets of £7,055,123 (2022: £8,866,042).

The Trustees have reviewed the budgets and cash flow forecasts of Fair For You Enterprise CIC for a period of at least 12 months from approval of the financial statements.

Within these forecasts are a set of assumptions around the timing of expected debt repayments, totalling £3m, which are due to be repaid within the next 12 months, as well as the timing of inflows from further funding expected to be obtained. (£0.8m of this debt has been repaid in June 2024 and £0.4m has been repaid in July 2024.)

Fair For You Enterprise CIC has a healthy investment pipeline and conversion of two of these investment deals totalling £12m is anticipated to be completed during FY24. Fair For You Enterprise CIC anticipates delivery of these deals for product specific lending book growth through SPV structures, for the purposes of which, it incorporated two wholly owned subsidiaries in December 2023. This allows considerable additional lending to be completed without impacting CIC specific cashflow.

As the active investment deals have not yet been closed, the Directors of the CIC have reviewed an alternative scenario where debt repayments are due but delays are seen in incoming funding deals being converted to beyond FY25. In such a scenario, the Directors are able to manage cash effectively through reductions in new customer acquisition, amendments to credit risk appetite, reductions in discretionary spend and deployment of additional staff resource onto collections activities.

Post year end, Fair For You Enterprise CIC has completed a successful bond raise of £650k and has delivered a YTD trading result of a loss of £26,300 in H1 2024.

A loan covenant was breached post year end in June 2024, however the lender has continued to show its support and waivers have been obtained.

The Trustees are therefore of the opinion that the group will continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

b. Material investments policy

The Charity has invested in its wholly owned subsidiary without return or short term expectation of return.

The Trustees believe considerable value is being created in the brand and development of a unique lending organisation that addresses the needs of its customers.

In the long term, when it is a viable mainstream competitor to high cost credit, we will establish a suitable mechanism for a return that will allow the charity to extend its mission.

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

Structure, governance and management

a. Constitution

The Charity and the Group is constituted under a Trust deed and is a registered charity, under charity number 1161809 (England and Wales) & SC046556 (Scotland).

b. Methods of appointment or election of Trustees

Trustees are appointed for a term of 3 years. Previously, the Trustees were appointed for 2 to 4 years in order to facilitate an orderly succession from year 2. Trustees are expected to complete suitable training and induction.

c. Organisational structure and decision-making policies

The Charity has a Trustee Board which meets every three months and the Trustees confirm that the interests of the charity are paramount to their decisions taken. The Board has established 2 committees as follows:

1. Fundraising and Communications committee: to ensure the Charity has sufficient funding to carry out its work and objectives;
2. Oversight and Risk committee: to review and monitor the risks to the Charity including those of the subsidiary, Fair for You Enterprise CIC.

d. Financial risk management

The Trustees have assessed the major risks to which the Charity and the Group are exposed, in particular those related to the operations and finances of the Charity and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

The Charity is currently actively seeking research partners to advance the needs of the lower income households we serve; likely activities at this time are predominantly further social impact reporting.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 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 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 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, Bishop Fleming LLP, 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:



T Levitt
Trustee

Date: *22 August 2024*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD

OPINION

We have audited the financial statements of Fair Credit Charity Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 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 December 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 Charities Act 2011.

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.

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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the Annual report 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 (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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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:

Our procedures surrounding the identification and assessment of risks of material misstatement in relation to irregularities, including fraud and non-compliance with laws and regulations, included the following:

- considering the nature of the entity and its environment, internal control environment, and business performance;
- considering the results of our enquiries of management about their own identification and assessment of the risk of irregularities;
- obtaining and reviewing, for any matters identified, the Company's documentation of their policies and procedures relating to:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD (CONTINUED)

- the identification, evaluation, and compliance with laws and regulations, and whether management were aware of any instances of non-compliance within the year;
- the detection and response to the risk of fraud, and whether management have knowledge of actual, suspected, or alleged fraud; and
- the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- discussing amongst the audit engagement team, including internal tax specialists, regarding how and where fraud might occur in the financial statements and potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the completeness of revenue recognition and management override of controls. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to these identified risks.
- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charities SORP 2019, FRS 102, the terms and conditions attaching to material grants received by the charity and FCA regulations.
- considering provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included data protection regulations, lending regulations, and employment legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of Board meetings throughout the year;
- in addressing the risk of fraud through management override of controls:
 - testing the appropriateness of journal entries and other adjustments;
 - assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
 - evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 CREDIT CHARITY LTD (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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.



Andrew Wood FCCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: *19 September 2024*

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:				
Donations	4	183,163	183,163	1,312,557
Charitable activities	5	5,000	5,000	-
Other trading activities	6	4,454,356	4,454,356	4,343,232
Other income	7	202,095	202,095	404,773
TOTAL INCOME		4,844,614	4,844,614	6,060,562
EXPENDITURE ON:				
Raising funds for trading activities	8	4,623,686	4,623,686	4,748,110
Charitable activities	9	2,701	2,701	2,520
TOTAL EXPENDITURE		4,626,387	4,626,387	4,750,630
NET MOVEMENT IN FUNDS		218,227	218,227	1,309,932
RECONCILIATION OF FUNDS:				
Total funds brought forward		3,279,837	3,279,837	1,969,905
Net movement in funds		218,227	218,227	1,309,932
TOTAL FUNDS CARRIED FORWARD		3,498,064	3,498,064	3,279,837

The notes on pages 16 to 31 form part of these financial statements.

FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:			
Charitable activities	5,000	5,000	-
Other income	2,400	2,400	2,400
	7,400	7,400	2,400
TOTAL INCOME:			
EXPENDITURE ON:			
Charitable activities	2,701	2,701	2,520
	2,701	2,701	2,520
TOTAL EXPENDITURE			
	4,699	4,699	(120)
NET MOVEMENT IN FUNDS			
RECONCILIATION OF FUNDS:			
Total funds brought forward	8,523	8,523	8,643
Net movement in funds	4,699	4,699	(120)
TOTAL FUNDS CARRIED FORWARD	13,222	13,222	8,523

FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08991099

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Intangible assets	14		847,041		574,893
Tangible assets	15		12,555		24,464
			859,596		599,357
CURRENT ASSETS					
Debtors	16	9,508,241		9,176,049	
Cash at bank and in hand		2,031,448		1,077,248	
		11,539,689		10,253,297	
Creditors: amounts falling due within one year	17	(4,471,342)		(1,378,732)	
NET CURRENT ASSETS			7,068,347		8,874,565
TOTAL ASSETS LESS CURRENT LIABILITIES			7,927,943		9,473,922
Creditors: amounts falling due after more than one year	18		(4,429,879)		(6,194,085)
TOTAL NET ASSETS			3,498,064		3,279,837
GROUP FUNDS					
Restricted funds	19		-		-
Unrestricted funds	19		3,498,064		3,279,837
TOTAL FUNDS			3,498,064		3,279,837

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



T Levitt
Trustee

Date: *22 August 2024*

The notes on pages 16 to 31 form part of these financial statements.

FAIR CREDIT CHARITY LTD
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08991099

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
CURRENT ASSETS					
Debtors	16	8,423		6,023	
Cash at bank and in hand		14,928		10,110	
		<u>23,351</u>		<u>16,133</u>	
Creditors: amounts falling due within one year	17	(10,129)		(7,610)	
NET CURRENT ASSETS			13,222		8,523
TOTAL NET ASSETS			13,222		8,523
CHARITY FUNDS					
Restricted funds	19	-		-	
Unrestricted funds	19	13,222		8,523	
TOTAL FUNDS			13,222		8,523

The Charity's net movement in funds for the year was £4,699 (2022 - £(120)).

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
T Levitt
Trustee

Date: *22 August 2024*

The notes on pages 16 to 31 form part of these financial statements.

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

1. GENERAL INFORMATION

Fair Credit Charity Ltd is a registered charitable company limited by guarantee incorporated in England and Wales. The registered office is Unit 8, Elm Court, Meriden Business Park, Copse Drive, Coventry, CV5 9RG.

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 Credit Charity Ltd 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.

2.2 COMPANY STATUS

The Charity is a charitable company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2.3 GOING CONCERN

Fair Credit Charity is solely reliant on the performance of its wholly owned subsidiary Fair For You Enterprise CIC.

During the year ended 31 December 2023, Fair For You Enterprise CIC delivered a net profit of £30,365 (2022: loss of £2,505). At the year end, it had net assets of £3,484,842 (2022: £3,271,314) and net current assets of £7,055,123 (2022: £8,866,042).

The Trustees have reviewed the budgets and cash flow forecasts of Fair For You Enterprise CIC for a period of at least 12 months from approval of the financial statements.

Within these forecasts are a set of assumptions around the timing of expected debt repayments, totalling £3m, which are due to be repaid within the next 12 months, as well as the timing of inflows from further funding expected to be obtained. (£0.8m of this debt has been repaid in June 2024 and £0.4m has been repaid in July 2024.)

Fair For You Enterprise CIC has a healthy investment pipeline and conversion of two of these investment deals totalling £12m is anticipated to be completed during FY24. Fair For You Enterprise CIC anticipates delivery of these deals for product specific lending book growth through SPV structures, for the purposes of which, it incorporated two wholly owned subsidiaries in December 2023. This allows considerable additional lending to be completed without impacting CIC specific cashflow.

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

2. ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN (CONTINUED)

As the active investment deals have not yet been closed, the Directors of the CIC have reviewed an alternative scenario where debt repayments are due but delays are seen in incoming funding deals being converted to beyond FY25. In such a scenario, the Directors are able to manage cash effectively through reductions in new customer acquisition, amendments to credit risk appetite, reductions in discretionary spend and deployment of additional staff resource onto collections activities.

Post year end, Fair For You Enterprise CIC has completed a successful bond raise of £650k and has delivered a YTD trading result of a loss of £26,300 in H1 2024.

A loan covenant was breached post year end in June 2024, however the lender has continued to show its support and waivers have been obtained.

The Trustees are therefore of the opinion that the group will continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

2.4 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.

Loan interest receivable on loans to clients is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Commissions receivable arise in connection with a specific transaction and income relating to individual transactions is recognised when the transaction is completed.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 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.

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. All expenditure is accounted for on an accruals basis.

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

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

2. ACCOUNTING POLICIES (continued)

2.6 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Fair Credit Charity Ltd and all of its subsidiary undertakings ('subsidiaries').

The net movement in funds for the year dealt with in the accounts of the Charity was a profit of £4,699 (2022: loss of £120).

2.7 INTANGIBLE ASSETS AND AMORTISATION

The Group does not employ a specific capitalisation policy in relation to intangible assets. Intangible assets are 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 and are subsequently measured at cost net of amortisation and any provision for impairment.

Development costs represent the development of the original website and infrastructure, and development of bespoke lending systems.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Development expenditure	-	2-5 years straight line
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2.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

The Group does not employ a specific capitalisation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

2.9 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

Loans to borrowers are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to borrowers and measured at amortised cost using the effective interest method. Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid.

At each balance sheet date the Group assesses if there is objective evidence that any of its loans are impaired. Additionally, if during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

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

2. ACCOUNTING POLICIES (continued)

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.

2.11 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 Group 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 within interest payable and similar charges.

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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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

2. ACCOUNTING POLICIES (continued)

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the financial statements requires management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following areas include some significant judgements:

Going concern basis

Refer to Note 2.3 for the significant judgements made in management's assessment of going concern.

Development expenditure

Development is capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Loan provisioning

Debtor balances which are more than 120 days overdue are fully provided for. This estimate is reviewed on an annual basis based on an analysis of historic loan repayments.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income	183,163	183,163	1,312,557

Other income included within donations and legacies represents drawdowns made on the convertible bond held by the Company, with the net income being represented by the equity element of the drawdown less the liability element.

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

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grant income	5,000	5,000	-

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

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Sales	1,440,962	1,440,962	1,401,765
Interest income	3,013,394	3,013,394	2,941,467
	<u>4,454,356</u>	<u>4,454,356</u>	<u>4,343,232</u>

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other operating income	202,095	202,095	404,773
	<u>202,095</u>	<u>202,095</u>	<u>404,773</u>

8. EXPENDITURE ON RAISING FUNDS

OTHER TRADING EXPENSES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trading expenses	1,983,180	1,983,180	2,106,680
Staff costs	955,431	955,431	1,078,083
Depreciation and amortisation	320,932	320,932	217,002
Marketing	234,401	234,401	479,792
Administration expenses	419,101	419,101	363,564
Interest payable	710,641	710,641	502,989
	<u>4,623,686</u>	<u>4,623,686</u>	<u>4,748,110</u>

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

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Support costs	2,701	2,701	2,520

Summary by expenditure type

	Other costs 2023 £	Total 2023 £	Total 2022 £
Support costs	2,701	2,701	2,520
TOTAL 2022	2,520	2,520	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	2,701	2,701	2,520
TOTAL 2022	2,520	2,520	

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Audit fees	2,701	2,520

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

11. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Group's annual accounts	27,800	22,750
Fees payable to the Charity's auditor in respect of: All taxation advisory services not included above	1,950	1,815

12. STAFF COSTS

	Group 2023 £	Group 2022 £
Wages and salaries	792,583	889,322
Social security costs	99,878	122,304
Contribution to defined contribution pension schemes	62,970	66,457
	955,431	1,078,083

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

	Group 2023 No.	Group 2022 No.
Employees	25	29

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

	Group 2023 No.	Group 2022 No.
In the band £70,001 - £80,000	-	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

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

14. INTANGIBLE ASSETS

GROUP

	Development expenditure £
COST	
At 1 January 2023	970,235
Additions	585,722
At 31 December 2023	1,555,957
AMORTISATION	
At 1 January 2023	395,342
Charge for the year	313,574
At 31 December 2023	708,916
NET BOOK VALUE	
At 31 December 2023	847,041
At 31 December 2022	574,893

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

15. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2023	69,027	6,103	17,243	92,373
Additions	1,669	-	-	1,669
At 31 December 2023	70,696	6,103	17,243	94,042
DEPRECIATION				
At 1 January 2023	44,563	6,103	17,243	67,909
Charge for the year	13,578	-	-	13,578
At 31 December 2023	58,141	6,103	17,243	81,487
NET BOOK VALUE				
At 31 December 2023	12,555	-	-	12,555
At 31 December 2022	24,464	-	-	24,464

16. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
DUE WITHIN ONE YEAR				
Trade debtors	413,330	175,703	-	-
Amounts owed by group undertakings	-	-	8,423	6,023
Other debtors	8,980,739	8,862,541	-	-
Prepayments and accrued income	114,172	137,805	-	-
	9,508,241	9,176,049	8,423	6,023

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Other loans	3,178,204	250,011	-	-
Trade creditors	707,355	570,083	-	-
Other taxation and social security	28,573	33,047	-	-
Other creditors	386	-	-	-
Accruals and deferred income	556,824	525,591	10,129	7,610
	4,471,342	1,378,732	10,129	7,610

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £
Other loans	4,429,879	6,194,085

Included within the above are amounts falling due as follows:

	Group 2023 £	Group 2022 £
BETWEEN ONE AND TWO YEARS		
Other loans	115,951	3,404,029
BETWEEN TWO AND FIVE YEARS		
Other loans	2,535,798	1,349,696
OVER FIVE YEARS		
Other loans	1,778,130	1,440,360

Included within Other loans is £2,792,804 (2022: £3,144,585) of secured borrowings. Social Growth Fund LLP hold an unlimited debenture incorporating a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, and fixed plant and machinery.

The remaining Other loans of £4,815,279 (2022: £3,299,511) are unsecured.

The effective interest rate on secured borrowings (those that are not included within the converted bond) for the year ended 31 December 2023 was 8%.

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

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
UNRESTRICTED FUNDS				
General Funds - all funds	(1,629,803)	4,661,451	(4,626,387)	(1,594,739)
Other income	4,909,640	183,163	-	5,092,803
	<u>3,279,837</u>	<u>4,844,614</u>	<u>(4,626,387)</u>	<u>3,498,064</u>

Description of funds

General funds - accumulated surplus/deficits from the charitable and trading activities undertaken by the charitable company.

Other income - the brought forward funds represent previous debt held within Fair For You CIC which have been converted into equity by way of a perpetual bond. Under charity SORP 24.25, drawdowns of the perpetual bond have been treated as income in the unrestricted fund, given the purpose of the charitable company and CIC subsidiary are identical.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
UNRESTRICTED FUNDS				
General Funds - all funds	(1,627,178)	4,748,005	(4,750,630)	(1,629,803)
Other income	3,597,083	1,312,557	-	4,909,640
	<u>1,969,905</u>	<u>6,060,562</u>	<u>(4,750,630)</u>	<u>3,279,837</u>

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

20. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
General funds	3,279,837	4,844,614	(4,626,387)	3,498,064

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
General funds	1,969,905	6,060,562	(4,750,630)	3,279,837

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	12,555	12,555
Intangible fixed assets	847,041	847,041
Current assets	11,539,689	11,539,689
Creditors due within one year	(4,471,342)	(4,471,342)
Creditors due in more than one year	(4,429,879)	(4,429,879)
TOTAL	3,498,064	3,498,064

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	24,464	24,464
Intangible fixed assets	574,893	574,893
Current assets	10,253,297	10,253,297
Creditors due within one year	(1,378,732)	(1,378,732)
Creditors due in more than one year	(6,194,085)	(6,194,085)
TOTAL	3,279,837	3,279,837

22. 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 to the Group to the fund and amounted to £71,703 (2022: £83,972). Contributions of £386 (2022: £397) were payable to the fund at the balance sheet date.

23. OPERATING LEASE COMMITMENTS

At 31 December 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £
Not later than 1 year	31,530	15,780
Later than 1 year and not later than 5 years	105,000	-
	136,530	15,780

The operating lease relates to the building occupied by the Group.

24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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

25. RELATED PARTY TRANSACTIONS

The charitable company has taken the exemption under FRS 102 Section 33.1A and not discloses any transactions entered into between wholly-owned group companies.

26. CONTROLLING PARTY

The Trustees do not consider there to be one sole controlling party.

27. PRINCIPAL SUBSIDIARY

Fair For You Enterprise CIC

Subsidiary name	Fair For You Enterprise CIC
Company registration number	09798014
Basis of control	The Board of Trustees, as members of Fair For You Enterprise CIC, may, by special resolution direct the Directors of the CIC, to take or refrain from taking specific action.
Total assets as at 31 December 2023	£12,382,979
Total liabilities as at 31 December 2023	£8,898,137
Total equity as at 31 December 2023	£3,484,842
Total income for the year ended 31 December 2023	£4,656,451
Expenditure for the year ended 31 December 2023 (incl tax)	£4,626,086
Profit/(loss) for the year ended 31 December 2023 (after tax)	£30,365