

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 8
Trustees' responsibilities statement	9
Independent auditor's report on the financial statements	10 - 13
Consolidated statement of financial activities	14
Consolidated statement of financial position	15 - 16
Charity statement of financial position	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 37

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 2024

Trustees J Bonehill
J Fleming
T Levitt
R Maverick
L Melvin
J Moore
H Talbot-Tomlinson (appointed 1 May 2024)
A Dodds (resigned 30 September 2024)

Company registered number 08991099

Charity registered number and Scottish charity registered number 1161809 & SC046556

Registered office Unit 8, Elm Court
Meriden Business Park
Copse Drive
Coventry
England
CV5 9RG

Company secretary C Bennett

Chief executive officer S Dukes

Independent auditor Blick Rothenberg Audit LLP
Chartered Accountants
16 Great Queen Street
Covent Garden
London
WC2B 5AH

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****TRUSTEES' REPORT****FOR THE YEAR ENDED 31 DECEMBER 2024**

The Trustees present their annual report together with the audited financial statements of the Fair Credit Charity Ltd for the year 1 January 2024 to 31 December 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Group and the Charity 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.

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 subsidiary Community Interest Company. The Charity has continued to provide oversight and monitoring of the governance and development of its subsidiary lending organisation, Fair for You Enterprise CIC.

Throughout 2024, the Charity has continued to provide oversight and monitoring of the governance and development of its subsidiary lending organisation. Additionally, in line with its strategy to December 2024 (see below), the Charity continued 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.

In addition, in 2024 the Charity incorporated two subsidiary companies, Fayre4U Limited and There4U Limited. These entities receive income from lending activities and commission from partner organisations.

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 consolidated balance sheet includes the assets and liabilities of all of the Charity's subsidiaries.

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 assets and liabilities, 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.

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)'.

FAIR CREDIT CHARITY LTD

(A company limited by guarantee)

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

Objectives and activities (continued)

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.

c. Activities undertaken to achieve objectives

The Charity has established not for profit subsidiaries, the objectives of which are to deliver the lending solutions 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 incomes.

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

Utilising the 'Associate' programme of the social purpose organisation, 'On Purpose', from April to September 2024, the Charity had its first full-time dedicated Executive. The On Purpose Associate was tasked with reviewing and renewing the Charity's framework administrative and governance documents and website. Additionally, the Associate was also asked to explore commission (and publish) three research reports highlighting the Charity's position on key topics relevant to its strategy. As a result, during the second half of 2024, three reports were produced:

- **The Fair Credit Charity Banking Whitepaper.** Using case studies from Fair for You CIC, the Banking Whitepaper illustrated the inequity of financial exclusion as well as highlighting the missed opportunities for high street banks in providing affordable micro-credit to a demographic they continue to ignore. The Whitepaper prompted Fair Credit Charity meetings with a number of retail banks and contributed to the wider discussion on more inclusive financial services as promoted by the proponents of the Fair Banking Act and representatives of the wider Community Development Financial Institution sector.
- **Financial Education: A Road to Financial Inclusion.** Poor financial education is often cited as the casus belli behind financial exclusion. What the Financial Education report discovered – again pulling on Fair for You CIC customer experiences – was that the issue was more complicated. The report concluded that a combination of gaps in financial education alongside financial stress and debt work together as a vicious circle for many consumers. The report recommended a more holistic approach to addressing financial literacy taking into consideration income and socio-economic background.
- **Migrants and Credit: Transforming Futures.** In partnership with three refugee-connected charities who helped distribute a background survey to their constituents, the Migrant and Credit report explored the financial service-related experiences of new migrants to the UK. The report highlighted the frustration of migrants arriving in the UK - often finding that the financial sector was a barrier rather than an enabler to their goal of supporting their family in their new homeland. The finding that half of migrants had been turned down for credit, but for reasons that were often unclear was particularly striking. However, the report also reflected on the transformational opportunity which well-designed, specialist financial services could provide. This report was widely distributed within the migrant and refugee charity sector.

The last report was also produced with assistance from an intern from the University of Leicester. The first time such an approach has been used by the Fair Credit Charity.

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Achievements and performance (continued)**(continued)**

The success of these reports and the impact of a full-time Charity Executive focused the Trustees to have a full strategy review at their last meeting of 2024. At that meeting, the Trustees agreed to a clearer and more focused direction for the Charity for 2025 and beyond. For the future, the Trustees wanted the Charity to concentrate on influencing the financial, legislative and regulatory landscape - to help create an ethical and responsible lending environment in which financially excluded people can be better served. Trustees agreed that in early 2025, they would create a new set of Aims and Objectives for the Charity to work to. Moreover, the Trustees agreed to reduce the number of 'Objects' and to rewrite the Fair credit Charity's Vision and Mission. The first meeting of 2025 would confirm these changes. Moreover, a permanent (part-time) Executive would also be recruited in Q1 2025.

b. Key performance indicators

The Group has in the period ending 31 December 2024 shown a consolidated net reduction in funds of £65,684 (2023: increase of £218,227). At 31 December 2024, the Group had consolidated reserves of £3,432,380 (2023: £3,498,064). Since inception Fair for You has now supported more than 100,000 families across the UK through loans totalling over £90m.

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 monitored the risk management, funding strategy and business plan delivery.

The established niche lending business and brand has been expanded and grown throughout 2024, 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.

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024****Achievements and performance (continued)****Financial review****a. Financial review**

The consolidated statement of financial activities set out on page 14 of the financial statements shows how the Group has in the period ending 31 December 2024 shown a consolidated reduction in funds of £65,684 (2023: increase of £218,227). At 31 December 2024, the Group had consolidated reserves of £3,432,380 (2023: £3,498,064). These results include the results of the trading subsidiaries, Fair for You Enterprise CIC, There4U Limited and Fayre4U Limited.

The Charity's wholly owned trading subsidiary, Fair for You Enterprise CIC, made a loss of £99,794 (2023 profit: £30,365), made up of income of £4,008,433 and total expenditure of £4,108,227. The net assets at the year end were £3,385,048 (2023: £3,484,842).

Fair for You Enterprise CIC's subsidiary, There4U Limited, made a profit of £20,891, made up of income of £94,337 and total expenditure of £73,446. The net assets at the year end were £20,892. There4U Limited was incorporated on 27 December 2023 and commenced trading on 1 November 2024.

Fair for You Enterprise CIC's subsidiary, Fayre4U Limited, made a profit of £14,539, made up of income of £49,861 and total expenditure of £35,322. The net assets at the year end were £14,540. Fayre4U Limited was incorporated on 27 December 2023 and commenced trading on 1 October 2024.

The consolidated statement of financial position set out on page 15 of the financial statements shows the financial position of the group at 31 December 2024.

Fixed assets of £1,094,876 (2023: £859,596) are represented by tangible assets of £Nil (2023: £12,555) and developed software of £1,094,876 (2023: £847,041).

Current assets are represented by debtors of £7,896,974 (2023: £9,508,241) and cash at bank and in hand of £3,537,062 (2023: £2,031,448). After deducting current liabilities of £1,739,254 (2023: £4,471,342), the net current assets amount to £9,694,782 (2023: £7,068,347).

Creditors falling due after more than one year comprises bank loans of £190,000 (2023: £Nil) and other loans of £7,167,278 (2023: £4,429,879).

The resulting net assets amount to £3,432,380 (2023: £3,498,064) which represents the Group's unrestricted funds.

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

b. 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.

Fair Credit Charity is solely reliant on the performance of its wholly owned subsidiaries and their performance determines the viability of the Charity.

During the year ended 31 December 2024, Fair for You Enterprise CIC delivered a net loss of £99,794 (2023: profit of £30,365). At the year end, it had net assets of £3,385,048 (2023: £3,484,842) and net current assets of £7,247,448 (2023: £7,055,123). There was one covenant breach in 2024 for which Fair for You Enterprise CIC received a full waiver. There have been no breaches since the year end.

The Trustees have reviewed the budgets and cash flow forecasts for the Group 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 contractual debt repayments, totalling £179,160, 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.

Fair for You Enterprise CIC has a healthy investment pipeline and conversion of two of these investment deals totalling £17.3m was completed during the year. Fair for You Enterprise CIC anticipates utilisation of these facilities for product specific lending book growth through SPV structures. The new SPVs became fully operational during Q4 2024.

Post year end, Fair for You Enterprise CIC has not raised any bonds or completed any further investment deals. All covenant requirements have been met.

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.

c. Material investments policy

The Charity has invested in its wholly owned subsidiary, Fair for You Enterprise CIC, without return or short term expectation of return.

The investment may see a future return to the Charity once the business is fully established and sustainable. At this time, only costs are being covered by the subsidiary and no return for the investment is sought.

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.

FAIR CREDIT CHARITY LTD

(A company limited by guarantee)

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

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.

A new Trustee joined the board at the start of 2024 in preparation for one of the longer-standing Trustees reaching maximum tenure later in the year and standing-down from the board. Preparations also commenced in-year for more substantive Trustee movements for 2025 with the appointment of a new Vice Chair and, at the end of 2025, the preparation of advertisements for two new Trustees for appointment in mid-2025 to replace two further Trustees also reaching maximum tenure (one of whom is the current Chair of the Charity). The Trustees voted unanimously at their August 2024 meeting for the new Vice Chair to take over as Chair of the Charity on the departure of the incumbent in September 2025.

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 Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate 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.

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.

FAIR CREDIT CHARITY LTD

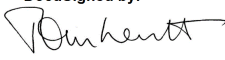
(A company limited by guarantee)

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

Auditor

The auditor, Blick Rothenberg Audit LLP, has indicated his 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:

DocuSigned by:

C474DAA1A6A542D...

T Levitt
Trustee

Date: 25-Jul-25 | 16:00 BST

FAIR CREDIT CHARITY LTD

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD****FOR THE YEAR ENDED 31 DECEMBER 2024**

Opinion

We have audited the financial statements of Fair Credit Charity Ltd (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the consolidated statement of financial position, the Charity statement of financial position, 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 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's 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.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

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.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the not-for-profit and financial credit sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs and the Charity Commission.

FAIR CREDIT CHARITY LTD

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIR CREDIT CHARITY LTD (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 our report

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

DocuSigned by:

A55DB73BE5414B0...

Mark Hart FCA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 28-Jul-25 | 23:41 BST

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 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations	4	-	-	183,163
Charitable activities	5	-	-	5,000
Other trading activities	6	3,708,043	3,708,043	4,454,356
Other income	7	376,414	376,414	202,095
Total income		4,084,457	4,084,457	4,844,614
Expenditure on:				
Raising funds for trading activities	8	4,147,621	4,147,621	4,623,686
Charitable activities	9	2,520	2,520	2,701
Total expenditure		4,150,141	4,150,141	4,626,387
Net movement in funds		(65,684)	(65,684)	218,227
Reconciliation of funds:	19			
Total funds brought forward		3,498,064	3,498,064	3,279,837
Net movement in funds		(65,684)	(65,684)	218,227
Total funds carried forward		3,432,380	3,432,380	3,498,064

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 37 form part of these financial statements.

REGISTERED NUMBER: 08991099

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible fixed assets	14	1,094,876	847,041
Tangible assets	15	-	12,555
		<u>1,094,876</u>	<u>859,596</u>
Current assets			
Debtors	16	7,896,974	9,508,241
Cash at bank and in hand		3,537,062	2,031,448
		<u>11,434,036</u>	<u>11,539,689</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,739,254)	(4,471,342)
Net current assets		<u>9,694,782</u>	<u>7,068,347</u>
Total assets less current liabilities		<u>10,789,658</u>	<u>7,927,943</u>
Creditors: amounts falling due after more than one year	18	(7,357,278)	(4,429,879)
Total net assets		<u><u>3,432,380</u></u>	<u><u>3,498,064</u></u>
Group funds			
Restricted funds	19	-	-
Unrestricted funds	19	3,432,380	3,498,064
Total funds		<u><u>3,432,380</u></u>	<u><u>3,498,064</u></u>

FAIR CREDIT CHARITY LTD

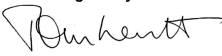
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

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:

DocuSigned by:

C474DAA1A6A542D...

T Levitt
Trustee

Date: 25-Jul-25 | 16:00 BST

The notes on pages 19 to 37 form part of these financial statements.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024

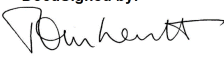
	Note	2024 £	2023 £
Current assets			
Debtors	16	9,623	8,423
Cash at bank and in hand		14,928	14,928
		<u>24,551</u>	<u>23,351</u>
Creditors: amounts falling due within one year	17	(12,649)	(10,129)
Net current assets		<u>11,902</u>	<u>13,222</u>
Total net assets		<u><u>11,902</u></u>	<u><u>13,222</u></u>
Charity funds			
Unrestricted funds		11,902	13,222
Restricted funds		-	-
Total funds		<u><u>11,902</u></u>	<u><u>13,222</u></u>

The Charity's net movement in funds for the year was a deficit of £1,320 (2023 - surplus of £4,699).

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:

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T Levitt
Trustee

Date: 25-Jul-25 | 16:00 BST

The notes on pages 19 to 37 form part of these financial statements.

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	2,315,572	1,088,245
Cash flows from investing activities			
Interest paid		(693,810)	(710,641)
Purchase of tangible fixed assets		(1,873)	(1,669)
Purchase of intangible assets		(579,693)	(585,722)
Net cash used in investing activities		(1,275,376)	(1,298,032)
Cash flows from financing activities			
Movement in borrowings		465,418	1,163,987
Net cash provided by financing activities		465,418	1,163,987
Change in cash and cash equivalents in the year		1,505,614	954,200
Cash and cash equivalents at the beginning of the year		2,031,448	1,077,248
Cash and cash equivalents at the end of the year	22	3,537,062	2,031,448

The notes on pages 19 to 37 form part of these financial statements

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

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.

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.

The financial statements are prepared in Sterling (£), which is the functional currency of the Association. Monetary amounts in these 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 2019), 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 statement of financial position consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements. The net movement in funds for the year dealt with in the accounts of the Charity was a deficit of £1,320 (2023: surplus of £4,699).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.2 Going concern

Fair Credit Charity is solely reliant on the performance of its wholly owned subsidiaries and their performance determines the viability of the Charity.

During the year ended 31 December 2024, Fair for You Enterprise CIC delivered a net loss of £99,794 (2023: profit of £30,365). At the year end, it had net assets of £3,385,048 (2023: £3,484,842) and net current assets of £7,247,448 (2023: £7,055,123). There was one covenant breach in 2024 for which Fair for You Enterprise CIC received a full waiver. There have been no breaches since the year end.

The Trustees have reviewed the budgets and cash flow forecasts for the Group 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 contractual debt repayments, totalling £179,160, 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.

Fair for You Enterprise CIC has a healthy investment pipeline and conversion of two of these investment deals totalling £17.3m was completed during the year. Fair for You Enterprise CIC anticipates utilisation of these facilities for product specific lending book growth through SPV structures. The new SPVs became fully operational during Q4 2024.

Post year end, Fair for You Enterprise CIC has not raised any bonds or completed any further investment deals. All covenant requirements have been met.

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.

2.3 Income

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

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.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

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.

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

All expenditure is inclusive of irrecoverable VAT.

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

Amortisation is provided on the following basis:

Development expenditure	-	2-5 years straight line
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FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.6 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 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:

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

2.7 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.

2.8 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.

2.9 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.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.10 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.

2.11 Financial instruments

The Group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the Group would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Pensions

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

2.13 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.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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 2.2 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 2024 £	Total funds 2024 £	Total funds 2023 £
Other income	-	-	183,163

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.

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grant income	-	-	5,000

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Income from other trading activities
Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Commissions receivable	1,114,989	1,114,989	1,440,962
interest income	2,593,054	2,593,054	3,013,394
	<u>3,708,043</u>	<u>3,708,043</u>	<u>4,454,356</u>

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other operating income	<u>376,414</u>	<u>376,414</u>	<u>202,095</u>
Total 2023	<u>202,095</u>	<u>202,095</u>	

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

8. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other trading expenses			
Trading expenses	1,307,175	1,307,175	1,983,180
Staff costs	1,011,525	1,011,525	955,431
Depreciation and amortisation	346,286	346,286	320,932
Marketing	221,507	221,507	234,401
Administrative expenses	567,318	567,318	419,101
Interest payable	693,810	693,810	710,641
Total 2024	4,147,621	4,147,621	4,623,686
Total 2023	4,623,686	4,623,686	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Support costs	2,520	2,520	2,701

10. Analysis of expenditure by activities

	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Support costs	2,520	2,520	2,701

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

11. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	14,000	27,800
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	5,850	1,950

12. Staff costs

	Group 2024 £	Group 2023 £
Wages and salaries	779,906	792,583
Social security costs	124,314	99,878
Contribution to defined contribution pension schemes	107,305	62,970
	1,011,525	955,431

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

	Group 2024 No.	Group 2023 No.
Employees	22	25

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

	Group 2024 No.	Group 2023 No.
In the band £80,001 - £90,000	1	-
In the band £100,001 - £150,000	1	1

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £Nil).

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £Nil).

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14. Intangible assets

Group

**Develop-
ment
£**

Cost

At 1 January 2024	1,555,957
Additions	579,693
	<hr/>
At 31 December 2024	2,135,650
	<hr/>

Amortisation

At 1 January 2024	708,916
Charge for the year	331,858
	<hr/>
At 31 December 2024	1,040,774
	<hr/>

Net book value

At 31 December 2024	1,094,876
	<hr/> <hr/>
At 31 December 2023	847,041
	<hr/> <hr/>

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

15. Tangible fixed assets
Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2024	70,696	6,103	17,243	94,042
Additions	1,873	-	-	1,873
At 31 December 2024	72,569	6,103	17,243	95,915
Depreciation				
At 1 January 2024	58,141	6,103	17,243	81,487
Charge for the year	14,428	-	-	14,428
At 31 December 2024	72,569	6,103	17,243	95,915
Net book value				
At 31 December 2024	-	-	-	-
At 31 December 2023	12,555	-	-	12,555

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

15. Tangible fixed assets (continued)

Charity

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2024	6,103	17,243	23,346
At 31 December 2024	6,103	17,243	23,346
Depreciation			
At 1 January 2024	6,103	17,243	23,346
At 31 December 2024	6,103	17,243	23,346
Net book value			
At 31 December 2024	-	-	-
At 31 December 2023	-	-	-

16. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Due within one year				
Trade debtors	221,618	413,330	-	-
Amounts owed by group undertakings	-	-	9,623	8,423
Other debtors	7,136,813	8,980,739	-	-
Prepayments and accrued income	538,543	114,172	-	-
	7,896,974	9,508,241	9,623	8,423

FAIR CREDIT CHARITY LTD**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****17. Creditors: Amounts falling due within one year**

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans	600,000	-	-	-
Other loans	116,224	3,178,204	-	-
Trade creditors	344,668	707,355	-	-
Other taxation and social security	31,233	28,573	-	-
Other creditors	-	386	-	-
Accruals and deferred income	647,129	556,824	12,649	10,129
	1,739,254	4,471,342	12,649	10,129

Bank loans are secured by a fixed and floating charge over the assets of the company and bears interest at a rate of SONIA plus 6.5% per annum and the capital is repayable by 14 August 2025.

Other loans are unsecured and bear interest between 3% and 7.9% per annum.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

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

	Group 2024 £	Group 2023 £
Bank loans	190,000	-
Other loans	7,167,278	4,429,879
	<u>7,357,278</u>	<u>4,429,879</u>

Included within the above are amounts falling due as follows:

	Group 2024 £	Group 2023 £
Between one and two years		
Bank loans	190,000	-
Other loans	3,274,008	115,951
	<u>3,464,008</u>	<u>115,951</u>
Between two and five years		
Other loans	2,136,073	2,535,798
	<u>2,136,073</u>	<u>2,535,798</u>
Over five years		
Other loans	1,757,197	1,778,130
	<u>1,757,197</u>	<u>1,778,130</u>

Included within bank loans falling due within 1-2 years is £190,000 that bears interest at a rate of SONIA plus 6.5% per annum and the capital is repayable by November 2026.

Included within other loans is £Nil (2023: £2,792,804) of secured borrowings and the remaining are unsecured and bear interest at between 2% and 7.9% per annum.

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Balance at 31 December 2024 £
Unrestricted funds				
General Funds - all funds	(1,594,739)	4,084,457	(4,150,141)	(1,660,423)
Other Income	5,092,803	-	-	5,092,803
	<u>3,498,064</u>	<u>4,084,457</u>	<u>(4,150,141)</u>	<u>3,432,380</u>

Statement of funds - prior 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>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Intangible fixed assets	1,094,876	1,094,876
Current assets	11,442,229	11,442,229
Creditors due within one year	(1,747,447)	(1,747,447)
Creditors due in more than one year	(7,357,278)	(7,357,278)
Total	<u>3,432,380</u>	<u>3,432,380</u>

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	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

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(65,684)	218,227
Adjustments for:		
Amortisation and depreciation	346,286	327,152
Interest paid	693,810	710,641
Decrease/(increase) in debtors	1,611,268	(332,192)
(Decrease)/increase in creditors	(270,108)	164,417
Net cash provided by operating activities	2,315,572	1,088,245

22. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	3,537,062	2,031,448

FAIR CREDIT CHARITY LTD
(A company limited by guarantee)

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

23. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	2,031,448	1,505,614	3,537,062
Debt due within 1 year	(3,178,204)	2,461,980	(716,224)
Debt due after 1 year	(4,429,879)	(2,927,399)	(7,357,278)
	<u>(5,576,635)</u>	<u>1,040,195</u>	<u>(4,536,440)</u>

24. 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 £82,475 (2023: £71,703). Contributions of £29 (2023: £386) were payable to the fund at the balance sheet date.

25. Operating lease commitments

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

	Group 2024 £	Group 2023 £
Not later than 1 year	30,000	31,530
Later than 1 year and not later than 5 years	74,712	105,000
	<u>104,712</u>	<u>136,530</u>

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

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Charity 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

The Charity has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

FAIR CREDIT CHARITY LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

28. Controlling party

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

29. Principal subsidiary

The Fair Credit Charity solely owns Fair For You Enterprise CIC Limited (company number: 09798014) with 100% ownership of ordinary share capital. Fair For You Enterprise CIC Limited is a company registered in the United Kingdom, Unit 8, Elm Court, Meriden Business Park, Copse Drive, Coventry, England, CV5 9RG.

Fair For You Enterprise CIC Limited also has two subsidiaries which operate as SPV's. These are There4U Limited (company number: 15371404) and Fayre4U Limited (company number: 15371400) with 100% ownership of ordinary share capital in both entities. There4U Limited and Fayre4U Limited are companies registered in the United Kingdom, Unit 8, Elm Court, Meriden Business Park, Copse Drive, Coventry, England, CV5 9RG.