



Fair Ways

COMMUNITY BENEFIT SOCIETY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER

2023

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Fair Ways Community Benefit Society



REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 OCTOBER 2023

FCA Registered Number: 8691

Registered Office and Operational Address: Building 1000
Western Road
Portsmouth
Hampshire
PO6 3EN

Trustees:

| | |
|-------------------|-------------------------------|
| Ms Anne Segall | (Chair) |
| Mr Ian Davies | (resigned 31 December 2022) |
| Mr Adrian Fry | (appointed 21 September 2023) |
| Mr Thomas McHugh | |
| Mr David Pilgrim | |
| Ms Rachel Walker | (appointed 21 September 2023) |
| Mr Stuart Webster | (appointed 6 October 2023) |
| Ms Alex Whitfield | |
| Mr Gareth Webb | (appointed 8 January 2024) |

Chief Executive Officer

Mr Thomas McHugh

Secretary

Mr Malcolm Rule

Executive Team

| | |
|---------------------------|-----------------------------------------------|
| Mr Gareth Webb | (Managing Director) |
| Mr Rob Jesson | (Finance Director) |
| Ms Harriett Whitren-Jones | (HR Director) |
| Mr Matt Collins | (Director of Quality and Governance) |
| Ms Laura Rowe | (Director of Education and Health) |
| Mr Jonathon Loney | (Director of Residential and Family Services) |
| Mr Paul Moran | (Director of IT and Communications) |
| Mr Wayne Okell MBE | (Director of Talent and Performance) |

Auditor

Azets
Ashcombe Court
Woolsack Way
Godalming
GU7 1LQ

Solicitors

Warner Goodman LLP
Compass House
1-3 The Avenue
Southampton
SO17 1XG

Bankers

Handelsbanken
Oceana House
39-49 Commercial Road
Southampton
SO15 1GA

FAIR WAYS COMMUNITY BENEFIT SOCIETY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 OCTOBER 2023



Trustee statement

The Trustees present their annual report together with the audited financial statements of the Society for the year 1 November 2022 to 31 October 2023.

The Trustees confirm that the Annual Report and financial statements of the Society comply with the current statutory requirements, the requirements of the Society'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).

a. Objectives and Activities

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Financial Conduct Authority (FCA), the body responsible for the regulation of Community Benefit Societies.

The Objects of the Charity are to carry on and to promote for the benefit of the community the upbringing and care of children and young people in need including, without limitation, by:

- advancing education.
- promoting health.
- relieving financial and other hardships.
- providing recreational and leisure time activity in the interests of social welfare and in a manner which is designed to improve the conditions of life, with a view to advancing such children in life and helping them to develop their skills, capacities, and capabilities to enable them to participate in society as independent mature and responsible individuals.

These objectives are met by providing the following services:

- Residential Services: 3 Children's homes, 4 Supported living homes, 2 Intervention homes in Wales, directly supported by an Outdoor Adventures team.
- An Independent Fostering Agency across the Solent area, established over 20 years ago.
- Family services, in a bespoke Residential Family centre and a second step-down centre.
- A Contact service to enable service meetings between parents and children.
- Outreach services to enable children and young people to stay in the homes in their community.
- Education services to 60 either SEMH (Social Emotional Mental Health) and/or ASC (Autistic Spectrum Condition) pupils in two schools across three locations.
- A Post 18 Service "Staying Close" to support care leavers transitioning out of the care system.
- A mental health service for young people stepping down from in-patient treatment and focusing on support and rehabilitation.

The Society aims to become one of the country's leading providers of services to children and families, helping to break the cycle of dependency and abuse suffered by some of the most vulnerable in society.

Fair Ways Community Benefit Society ('Fair Ways CBS') funds and provides 'The Hub' service across all Fair Ways CBS services and for staff. This is a range of directly employed professionals who support staff and services across Fair Ways CBS.

Fair Ways CBS works in partnership with Local Authorities across England and Wales, and other relevant agencies directly related to our services.

b. Strategies for achieving objectives

The strategies and activities employed to meet the Society's objectives include being a provider of outstanding and innovative services, to develop a highly skilled, motivated and professional workforce, and to evidence positive outcomes for service users that can demonstrate value for money for our purchasers.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023



Achievements and performance

a: Main achievements and performance of the Society

Fair Ways supports a wide range of children, young people and adults in the Solent area, Bath, and Wales. By harnessing the collective strength of our services, we aim to guide vulnerable children and adults towards independence, positive outcomes, and brighter futures.

Our Vision

To build a community that changes lives, makes a difference to society, and leaves a legacy greater than ourselves and our contributions.

Our Mission

To grow a compassionate, resilient, and trauma-informed community, that embraces learning, so that we improve the lives and outcomes of individuals.

Our Values

Fair Ways have four core values we call PART. Every member of Fair Ways is expected to play their PART and help others do the same.

These values are the lifeblood of our culture and are not negotiable.

Summary of performance for the year

Overview and key themes

Fair Ways Community Benefit Society (Fair Ways) provides a full range of children's services across the Solent area, Bath, and Wales. As a charity, we passionately believe in continuously aspiring to deliver the levels of outstanding care that Children, young people, and adults deserve. We do this by ensuring that our employees have an excellent pay and benefits package, receive the highest levels of training available, and have the correct tools and support to be in their best self every day. We ensure that our premises are excellent, that our support systems are efficient and that we share skills, practice and knowledge seamlessly across our services.

Wisdom says, "It takes a village to raise a child". Fair Ways Village is a community of front-line teams and our other central support functions that collectively work along bespoke and targeted pathways ensuring that each child's journey is tailored to their needs. We place those in our care at the heart or centre of our charity. We believe that we have the chance to make a difference in the life of a child and we must be consistently in a position to ensure we do.

Our key themes over the past year have been as follows:

Trustees & Governance:

Fair Ways completed a 15-year journey to full charitable status on 31.08.21 and throughout the past year, trustees have focussed on developing the charitable systems and structures. (Please see the section on Risk below). A legacy of this journey is that our structure consists of two sister charities and the longer-term strategic aim is to have a single charity structure. This will take several years to realise.

| P Professional | A Accepting | R Reflective | T Transparent |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>WE DO WHAT WE SAY WE WILL</p> <p>We approach challenges with optimism and enthusiasm</p> <p>WE DON'T JUDGE, WE NOTICE</p> <p>WE PUT THE NEEDS OF THE SERVICE BEFORE OUR OWN PERSONAL GAINS</p> | <p>WE DON'T GIVE UP ON PEOPLE</p> <p>WE VALUE ALL INDIVIDUALS AND ARE WILLING TO CHALLENGE THEM</p> <p>WE EMBRACE EACH OTHER'S DIFFERENCES AS MUCH AS OUR SIMILARITIES</p> <p>We accept responsibility for our actions</p> | <p>WE GIVE FEEDBACK, WE INVITE FEEDBACK, WE LISTEN TO FEEDBACK.</p> <p>WE LOOK INWARD BEFORE WE LOOK OUTWARD</p> <p>We learn as much from our mistakes as from our successes</p> <p>WE LISTEN TO EACH OTHER LEARN FROM EACH OTHER AND GROW TOGETHER</p> | <p>WE ARE ALWAYS WILLING TO EXPLAIN WHY</p> <p>WE HAVE THE COURAGE TO BE OPEN AND HONEST</p> <p>We live by our values even when no-one is looking</p> <p>WE EARN TRUST THROUGH OUR TRANSPARENCY</p> |

5-year strategy (2022 – 2027)

During 2021 / 2022 Fair Ways developed a 5-year strategy to take the organisation towards its mission and vision. Key to this strategy was the development of several workstreams with defined achievement states for each year, including workstreams on People, Culture, Growth, and Identity. Progress is discussed in the [Plans for future periods section](#).

Therapeutic Support:

In 2021 / 2022, Fair Ways developed a new trauma-informed training programme called RiiSE, Relationship inspired ideas for supportive environments, to replace traditional restraint training techniques that have been in use across the industry for years. In the year, this programme was rolled out to all areas of Fair Ways with an immediate decline in Restrictive Physical Interventions. This is discussed in greater detail in the [Plans for future periods section](#).

Fundraising:

In the year, Trustees confirmed the strategic intent to establish a fundraising function, has put the structures in place and has commenced targeted activities.

Re-connecting

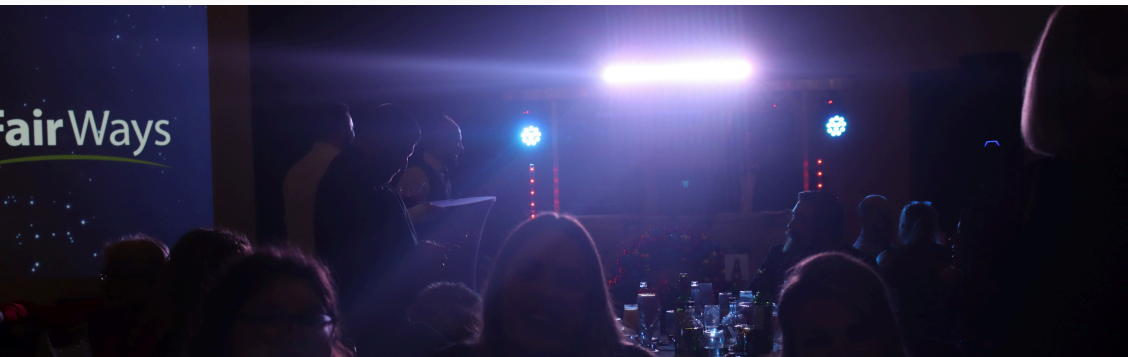
Above all, Fair Ways is a people organisation and the relationships across our Fair Ways community are paramount. The lockdown periods in the COVID years were especially difficult as one of our key strengths is sharing the experiences of being a multiple service provider. In the past year, we focused on occasions for reconnection. We were delighted to see the return of events such as:





Fair Ways Annual Conference

This was held in the Lakeside auditorium over 2 days reaching over 350 staff. This featured a talk from guest Steven Russell, a well-known care experienced speaker who shared his story and mission to change the lives of care leavers - Drip by Drip, Day by Day.



Awards/Christmas Party

Another major success and an opportunity for staff to reconnect and enjoy an excellent night of awards, an exceptional raffle of items generously donated by Fair Ways suppliers and the local community, great food, and entertainment.



Fair Ways in Bloom

This fun annual 'competition' goes from strength to strength as services compete to win the coveted Golden Gnome. In fact, it's a brilliant opportunity to deepen relationships with young people as services spend several months planning, planting, and presenting their creations. In the year, the judges were back to inspect each entry in person and deservedly awarded the title to Birch Grove in Wales.



Fair Ways Fest

This was held in the Lakeside complex and attended by over 120 staff, young people, and students from across our services in the Solent area. Facilities included multiple inflatables, football, free food, and live music including an exceptional performance from one Fair Ways student.

Fair Ways Services

A key strength of Fair Ways is that we are a multiple services provider. This delivers many advantages; including sharing staff experiences across all our practices and building a depth of knowledge, providing career progression for employees, and even providing employment and income opportunities for foster carers between placements where they can also deepen their own expertise. We categorise our services into the following broad areas: Residential Services, Family Services, Health Services, Education and Fostering.

In 2023, Fair Ways delivered care services to over 400 children, young people and adults across all services. A total of 155 Local authorities provided over 16,000 referrals in the year. The majority of our services were delivered to Local Authorities within the geographic areas where our services are based, however, the levels of referrals, are indicative of a very difficult and challenging sector, that has been consistently underfunded for years.

Notable in 2022 are pressures in the Fostering sector, where despite ever-increasing demand, there is a real decline in the UK pool of foster carers as a result of ageing carers, COVID-19 reluctance to accept foster placements, and changes in working practices, especially hybrid working leading to a reduction in spare rooms. Typically, Fair Ways receives 250 referrals a week for this service whilst placing 3 – 5 children a month.

Residential Services

Our residential services consist of 3 Children's homes, 4 Supported living homes, 2 Intervention homes in Wales, directly supported by an Outdoor Adventures team.

Two children's homes are rated 'Good' and one is rated Outstanding by Ofsted. Across the whole of Fair Ways all Ofsted regulated services are rated 'Good' or 'Outstanding' This is an excellent achievement and an important external benchmark in our continuous aspiration to deliver the care and services that children in care deserve.

In 2021, The Care Planning, Placement and Case Review (England) (Amendment) Regulations 2021 banned the placement of looked after children under the age of 16 in unregulated semi-independent or independent settings provided in accordance with other arrangements. In July 2022, the government laid the first set of regulations required to introduce the reforms to support accommodation for 16- and 17-year-old looked-after children and care leavers.

This long overdue legislation in effect means that all Supported Living accommodation must be registered by Ofsted and will seek to ensure that all supported accommodation settings are safe places, offering stability and consistency, enable continuous access to local services including education and healthcare, and should facilitate the development of strong relationships within the local community.

Fair Ways fully supports these changes and deplores some of the practices that have been evident in recent years. This new legislation will begin to address unregulated, unacceptable, and unsafe practices and blatant profiteering at the expense of vulnerable young persons. We have completed the registration process for all our Supported Living services however our Ofsted ratings will not be available until services are inspected.

In 2022, Fair Ways provided residential services to 89 Children and young people. Our children's homes provide love, care and fun, especially for the younger children. Typical activities include lots of trips, including theme parks, visits to Chelsea stadium, the Victorious Festival, trips to London, and Brighton and active involvement in celebrating major sporting events like the football world cup. We also ensure that children get actual summer holidays and have been using Skern Lodge and Highcliffe in Dorset and Higher Lanvern in Cornwall for several years.

During 2022 we developed and embedded our Outdoor Adventures Centre in Wales into our Intervention (Crisis) service there. Although outdoor activities have always been an integral part of that service, the acquisition of a separate business and centre has transformed the service we can now offer. Looking forward we will develop accommodation at our Outdoor Adventures Centre to extend the capacity of this service across Fair Ways and also for our in-house Leadership courses.

Staying Close

Fair Ways successfully tendered for a DFE 'Staying Close' pilot to provide ongoing care to Post 18 care leavers. At the time Fair Ways were chosen as one of just 8 pilots for our innovative funding and support model. In the past year, Fair Ways were appointed to full 'Staying Close' provider status. We currently look after 8 young adults at present.

Family Services

Fair Ways family services include Residential Family Centres and a Contact Centre.

Fair Ways Residential Family Centre is a purpose-built centre for 5 families and a separate bungalow in the grounds. This service holds an Outstanding rating from Ofsted. Typically, families attend for a 12-week assessment period, during which they receive detailed assessment and assistance in parenting skills. In total 28 families were assisted in the centre in the year, reflecting Fair Ways strong reputation in this service. The consistent levels of demand are such that Fair Ways opened a second centre in Bournemouth during the year providing follow on care from the main centre.

Family services also includes Fair Ways Contact Service. This facility enables families, parents and children to meet in a Supervised or Supported setting. From a relatively small service, demand has increased enormously in the past year. This service looks after 36 families at any one time and over the past year served over 350 children and adults. In 2024, Fair Ways strategic plan includes seeking larger premises to support this service.

Health Service

Fair Ways Health services include a mental health service and an Outreach service. The mental health service is based in Southampton, registered by the Care Quality Commission (CQC), for young adults stepping down from in-patient treatment with a focus on support and rehabilitation. This is a purpose-designed facility with capacity for 6 young people at any time.

Fair Ways Outreach service enables children and young people to stay in the homes in their community through the provision of direct domiciliary care. This can be quite complex care and some visits are lengthy in duration. Fair Ways has developed a skilled Outreach team and in the past year, the demand for this service has strongly expanded serving 44 families, up from 10 in the previous year.

Education Service

Fair Ways provides education services to 60 students either SEMH (Social, Emotional and Mental Health Difficulties) and/or ASC (Autism Spectrum Conditions) students in two schools across three locations. Each of the schools is rated 'Good' by Ofsted. In the year 100% of Fair Ways students moved on to further education, training, or employment – another excellent achievement. Fair Ways schools are fully subscribed with waiting lists for each school.

In the year, Fair Ways School - Fort Wallington, extended its capacity to 20 students as Fair Ways training centre moved to new bespoke facilities at our central offices in Lakeside. In turn, this allowed Fair Ways to remodel several areas and develop a new woodworking centre for students. Our students are now creating a range of garden furniture; bug hotels, nesting boxes, and planters for other Fair Ways services, helping promote wildlife and Fair Ways ECO awareness campaigns.

Fair Ways School - Swanwick continues to redevelop its facilities following a devastating fire in 2020. Although a temporary school was quickly established, the outdoor areas needed some support. In the year the team developed a new bushcraft area and are also looking forward to the installation of a new outdoor gym and a gaming room. Facilities like these are essential for the development and self-regulation of students. They are also excellent fun. While the school was just pipped for the overall Fair Ways in Bloom title, the judges were highly impressed with the fresh bread baked on a skillet over an open fire in the Bushcraft area.

GLADE School (ASC) based in Totton, Southampton also saw a major refurbishment programme, including the development of a new staff room, an upgraded IT room and an extensive redecoration.

Fostering

Fair Ways fostering service is rated Outstanding by Ofsted, one of the very few IFAs in our area to hold this rating. Fostering sits at the centre of Fair Ways and is part of the pathway for some children who move on from our children's homes. Our carers are based across the Solent area, and in 2022 offered a variety of fostering options including mother and baby fostering, fostering of child asylum seekers and sibling placements.

2022 was an excellent year, with the team winning national awards for Foster Carer of the Year, Birth Children of the Year and a local Southampton City Council Positive Relationship award based on a nomination from a young person.

Although the sector is struggling for referrals, Fair Ways actually saw increased levels of new carer enquiries and applications compared to previous years. Our research shows that a greater awareness of our Charity status appealed strongly to several new applicants reflecting that many foster carers are strongly values-based.

b. Fundraising activities and income generation

The Society currently does not employ fundraisers but is currently investigating fundraising to support additional activities aligned to the objectives of the Society.

c. Investment policy and performance

The Trustees will continue to support investments in the expansion of the activities of the Society aligned to the strategic plan.

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



Financial Review

A. Financial Review

In 2022-23 income was £18.2m for the year. Income for the previous reporting period (14 months) was £21.2m. The 12-month equivalent for the previous period was £18.0m. Expenditure was £17.2m in 2022-23 compared to £19.8m for the previous 14-month reporting period and £16.7m for the equivalent 12-month previous period.

Overall, there was a net surplus of £1.0m in 2022-23 compared to a net surplus of £1.4m in the previous year. The previous period included grants from Fair Ways Foundation of £1.4m; no grants were received from Fair Ways Foundation in 2022-23. Fair Ways reinvest any surplus back into our services to ensure the continued quality of care for all our service users.

Income for the year was almost exclusively from placement fees for providing care, education and other welfare services for children, young people, and families. These fees were paid mainly by Local Authorities, as well as NHS bodies and a small number of private customers. Around £0.1m was from other sources including grant funding and bank interest.

Expenditure for the year includes £12.5m for employee costs and foster carer payments. Other expenditure includes the establishment costs of the buildings we provide care and education services as well as the central head office functions to support those providing direct support to our children, young people and families.

B. Reserves Policy

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

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

Free reserves represent unrestricted general funds and so exclude endowment funds, restricted funds and funds that have been designated by Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

The reserves policy is aligned with the Society's approved 5-Year Strategy.

In 2022/23 the policy was to maintain free reserves of between £2.170m and £4.390m. This target range was calculated as follows.

| Free Reserves Element | Purpose For Reserve | Target Amount £000 | |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|
| | | Min | Max |
| Risk based contingency | Based on risks identified in the Fair Ways Risk Register: <ul style="list-style-type: none"> • Ensure short-term solvency and stability in case of an extreme event • Buy some time in the event of a serious income shock • Enable the organisation to function while action is taken • Ensure charitable commitments can be met | 1,220 | 3,440 |
| Working Capital | To smooth out cash flow timing issues between receipt of funds and spending profile | 700 | 700 |
| Essential capital expenditure in next 12 months | Ensure essential capital programme plans can be maintained | 250 | 250 |
| Total | | 2,170 | 4,390 |

The Society's actual free reserves at 31 October 2023 was **£1,530k**. This was below the target range.

Trustees recognise that the current level of free reserves is below the minimum target range and have prioritised the requirement to achieve this. There is an agreed plan to increase free reserves to within the target range by allocating a proportion of net surplus each year over the next few years. In 2023-24, the Society aims to allocate 60% of the available net surplus (after accounting for loan repayments and essential capital expenditure). A balance needs to be struck between meeting the needs of service users today and ensuring the long-term sustainability of Society for the service users of tomorrow.

Should free reserves be above the maximum target range, Trustees will consider options to increase expenditure in line with its charitable objectives. This could include bringing forward future projects, accelerating loan repayments, or increasing expenditure for the benefit of service users and employees.

C. Going Concern

The Trustees have a reasonable expectation that the Society 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.

Principal Risk and Uncertainties

The Society has a comprehensive risk review and reporting process including weekly review by the Operations Board and a formal quarterly review by Trustees.

Effective risk management is a cornerstone of our governance framework and Fair Ways have adopted a whole-organisation approach to risk identification and management. This approach calls for involvement at every level of the organisation, from individual services to the board. By harnessing insights from across the organisation, we create a comprehensive understanding of our risk landscape. To achieve this Fair Ways employs the corporate risk register alongside 2 other distinct risk registers and in tandem with our dynamic risk reporting system:

1. **Corporate Risk Register:** This register is instrumental in understanding and managing the principal risks that can have overarching implications for the entire organisation. It's essential for the executive and board to stay actively engaged with this register, as it encompasses risks that affect our core objectives and values.
2. **Operational Risk Register:** While the corporate register looks at overarching principal risks, the operational risk register delves deeper, focusing on risks at a functional or departmental level. The operations board oversee these risks and has a role in ensuring that potential threats and uncertainties are effectively managed.
3. **Service Risk Register:** Directly related to service delivery, this register captures risks specific to our service-oriented activities. It ensures that our services remain efficient, effective, and in line with our organisational objectives.
4. **Dynamic Risk Reporting System (known as SETSS):** The SETSS system complements these registers by offering real-time risk reporting and analysis covering the domains of Service User, Environment, Training, Staffing, and Sustainability (SETSS). It ensures that we can respond promptly and effectively to emerging risks.

The corporate risk register provides a comprehensive overview of potential risks across various categories affecting service delivery. It includes:

- Service User Risks involving death or abuse, are mitigated by rigorous assessments, training compliance, and governance meetings.
- Environmental Risks from weather, floods, and fire, are addressed through business continuity plans, insurance, and flexible working options.
- Training Noncompliance with actions like monitoring training compliance and conducting annual service reviews.
- Staffing Challenges due to high levels of sickness and insufficient staffing levels, are countered by infection response plans and workforce planning.
- Sustainability Risks from insufficient cash flow, high inflation, reduced income from local authorities, fraud, and various operational failures, are managed by financial forecasting, diversification of income sources, and robust governance audits.

Each risk is assessed for impact and likelihood, with control measures like quality assurance, policy updates, and safety protocols to mitigate them. The register is subject to regular reviews to ensure our assessment of principal risk likelihood and impact are accurate and whether any emergent risks should be added to the register. Linked to a robust review of our corporate risk register we have also developed a series of Audit Tools tailored to the specific responsibilities of key directorial and managerial roles within the organisation and their allocated corporate risk control measures. These tools serve a dual purpose:

- **Ensuring Consistency:** By systematically reviewing and addressing each control measure, we ensure that our operations remain consistent with our standards, and we maintain compliance with external regulations and best practices.
- **Proactive Risk Management:** These audits are designed to identify potential vulnerabilities or areas of concern before they escalate, allowing us to take corrective action in a timely manner.

The principal risks to the Society are considered to be:

a. Local authority costs constraints

Local authority costs constraints could impact the services provided and risk damage to the excellent reputation in the provision of services to children and young people.

b. Reputation risks

Death of a service user or a high profile serious incident such as abuse of a child could cause the Society significant reputational damage. The society protects against this risk by effective staff training, regular supervision and appraisal. In addition to a weekly risk reporting system to senior executives, the Society has robust, effective safeguarding processes promoting openness and transparency to regulators and safeguarding bodies. This risk is also mitigated by the diversity of the Society's business across various sectors and having placements with a number of different local authorities.

c. Financial risk management objectives and policies

The Society maintains a cautious policy of developing services and building reserves. The trustees are satisfied that the Society continues to grow its reserves going forwards to ensure sustainability.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Plans for future periods

The Trustees expect that Fair Ways will continue to deliver all existing services during the coming year, albeit in a challenging environment where inflationary pressures and increased operating costs are unlikely to be matched by income due to contractual restrictions and the continued fiscal challenges faced by Local Authorities across England and Wales.

Growth in Fair Ways services is expected to be modest and aligned with workstreams in the Fair Ways 5-year strategy. Several opportunities to expand services are being considered. Restraints on growth include staff availability, in a post-pandemic culture of higher industry turnover and investment capital, further to the Reserves policy described above.

Trustees will continue to pursue the journey to make Fair Ways a single charity.

Fair Ways Strategy 2022 – 2027

5-year strategy (2022 – 2027)

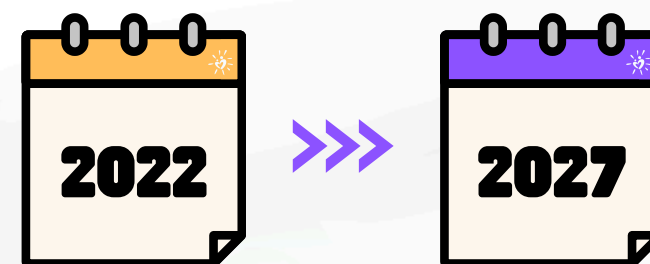
During 2021 / 2022 Fair Ways developed a 5-year strategy to take the organisation towards its mission and vision. Key to this strategy was the development of several workstreams with defined achievement states for each year. These workstreams include People, Culture, Growth, and Identity. Elements of these strategies are discussed as follows:

People Strategy

Fair Ways people strategy encompasses the key areas of Staffing, Retention, Capability and Wellbeing. In effect, a strategy to ensure that all Fair Ways employees are provided with an industry-leading proposition, ensuring their career pathways are clear and objectively assessed, they are rewarded with excellent payment terms and an outstanding benefits package, flexible enough to meet their needs at all stages of their career and provided with exceptional training and learning opportunities.

Fundraising: (Growth Strategy)

In the year Trustees confirmed the strategic intent to establish a fundraising function, has put the structures in place and has commenced targeted activities. Please refer to Section D below.



Therapeutic Support: (Culture Strategy)

In 2022, Fair Ways developed a new trauma-informed training programme called RiiSE at a cost to the charity of over £400,000. This programme has been externally registered and accredited with BILD (British Institute of Learning Disabilities) and the Restraint Reduction Network and replaces the traditional restraint training techniques that have been in use across the industry for many years.

RiiSE (Relationship Inspired Ideas for Supportive Environments)

RiiSE is designed to provide a basis of knowledge about why behaviours are presented by the people we support and discuss ways of interacting that look at challenging behaviour with a new perspective.

In the year over 340 members of staff trained in RiiSE, and it has revolutionised how Fair Ways team members interact with young people, children, and families in our care as well as each other as colleagues. Implementation of this training has seen an amazing 52% reduction in Restrictive Physical Interventions across all services and a 100% decrease in the overall number of Front Ground Recovery Techniques since its launch.



Charitable Awareness (Identity Strategy)

One of Fair Ways key corporate identifiers is that the organisation is now a Charity. Currently, 99% of Fair Ways income is derived from Local Authority funding and our firm commitment is to reinvest any surpluses into enhancing services and facilities for those in our care. This is in marked contrast to the growth of private sector providers in the children's services sector, effectively deriving enormous profits from state funding and exiting these funds to private shareholders and investors.

Fair Ways will continue to expand its external identity and promote our charitable status as one of our unique corporate identifiers.

In the year Fair Ways were invited by the Welsh government to discuss its Not-For-Profit business model and the additional benefits that this can deliver to the sector.



Systems Strategy

Fair Ways systems was also identified as one of the 5-year strategy workstreams. The purpose of this workstream is to ensure that Fair Ways has the correct IT systems in place and that these are fully optimized by all users. Trustees supported the Executive recommendation to defer this workstream by 1 year for operational reasons. This workstream will now become active in 2024.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Structure, Governance and Management

a. Constitution

On 31st August 2021 Fair Ways Community Benefit Society was formally re-registered as a Community Benefit Society with status as an exempt charity (registered number 8691). It had previously been registered as a private company limited by shares and incorporated in England and Wales (registered number 04460658).

b. Methods of appointment or election of Trustees

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

c. Organisational structure and decision-making policies

The Trustees, which includes the Chief Executive Officer and the Managing Director, are responsible for the strategic direction of the Society. The Trustees meet quarterly to review information prepared by management and make any decisions required. There are 2 sub-committees of the board, a Remuneration Committee, and a Nominations Committee.

d. Policies adopted for the induction and training of Trustees

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

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

e. Pay policy for key management personnel

The Society exercises a methodical and transparent approach to setting employees' pay commensurate with delivering our charitable objectives in an efficient, cost effective, and sustainable manner. As a charity that provides a broad range of services, employing around 400 staff and with a turnover of £18m, it is essential that experienced senior executives with the right mix of leadership, strategic, operational, and financial skills, lead the organisation. A balance therefore needs to be struck when determining senior executive remuneration. On the one hand, there is the esteem and value of working for a successful charity and on the other, there are a limited number of applicants of the right quality for senior roles who will seek charity sector posts. The Trust's inability to offer some of the incentives available in the private sector, such as share-based incentives, can deter applicants of the right quality. In addition, remuneration needs to be set at a level acceptable to our stakeholders. Rates of pay are set at or close to the median for equivalent-sized charities. Reference is made to Croner's Annual Charity Rewards Survey and is further informed through peer comparisons with similar children's service providers. The Society complies with Minimum Wage legislation and does not differentiate rates of pay based on age or sex.

The Remuneration Committee (REMCO) has the responsibility for advising the Trustee Board on senior executive pay levels.

f. Related party relationships

Fair Ways Foundation charity remains a related party. This holds the key assets used by the Society for its day-to-day operations.

g. Financial risk management

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

h. Trustees' indemnities

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

Engagement with employees and employment of the disabled

Fair Ways actively encourages the engagement of employees and welcomes constructive comments on the operations of the charity. The principal structure for this is the employee committee, EPIC, a vibrant staff body with representatives from all departments and services.



EPIC meets monthly, and the committee chair attends the following weekly Operations Board meeting, to directly raise any operational issues that arise. EPIC produce 'We said – We did' – a record of all achievements and this is widely shared across all employees. Examples of EPIC-influenced decisions in the past year include:

- Wellbeing Day - and extra days leave for all employees to cover birthdays/home admin days
- Changes to Fair Ways Free Staff lotteries – where qualifying employees now have the opportunity to win a £1000 holiday voucher, four times annually, and a second prize in the monthly free lottery. Prizes are £100 & £50.
- Mileage payments are now weekly (previously monthly).
- Introduction of Menopause Mentors.

Fair Ways has an active communications structure in place. Microsoft 365 is the core charity platform, with Microsoft Teams widely used across the charity. In addition, Fair Ways produces Fair Mail – an internal magazine, and regular updates from the MD & CEO through the MD Briefing & Mactalk publications. Individual services are encouraged to develop their own newsletters and share these across the Charity. The Operations Board meets weekly with updates cascaded through each department and service. Examples of positive staff achievements are encouraged and acknowledged weekly. Fair Ways has an active events calendar, and the Annual Staff conference, most recently attended by 340 employees, is a key opportunity for active engagement.

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

Fair Ways aim is to ensure that the abilities of all people are recognised and valued at all levels of Fair Ways. This is achieved by providing any reasonable adjustments to ensure disabled people have access to our services and employment opportunities, challenging discriminatory assumptions about disabled people and seeking to continue to improve access to information by ensuring availability of ASD related software and screen filters, loop systems, Braille facilities, alternative formatting and sign language interpretation. Full details of these policies are available from the Society's offices.

Statement of Trustees responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Society Act 2014 requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under the relevant laws 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 society and of the statement of financial activities of the society for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Disclosure of information to auditor

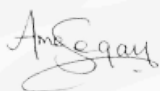
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that the 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.

Auditors

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

Approved by order of the members of the board of Trustees on 9th May 2024 and signed on their behalf by:



Ms A Segall
Chair of Trustees



Mr M Rule
Secretary



Mr T McHugh
Trustee

FAIR WAYS COMMUNITY BENEFIT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS COMMUNITY BENEFIT SOCIETY

Opinion

We have audited the financial statements of Fair Ways Community Benefit Society (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Society 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 society's affairs as at 31 October 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 society'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 WAYS COMMUNITY BENEFIT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS COMMUNITY BENEFIT SOCIETY (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 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 society has not kept sufficient accounting records; or
- the parent society 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 are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS COMMUNITY BENEFIT SOCIETY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIR WAYS COMMUNITY BENEFIT SOCIETY (CONTINUED)

Use of our report

This report is made solely to the society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

David Lawrence (Senior Statutory Auditor)

Azets Audit Services

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

Date: 29 May 2024

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

| | Note | Unrestricted funds 2023 £ | Total funds Year ended 31 October 2023 £ | Total funds 14 months ended 31 October 2022 £ |
|------------------------------------|------|------------------------------------|---------------------------------------------------------|--------------------------------------------------------------|
| Income from: | | | | |
| Donations and legacies | 4 | 86,699 | 86,699 | 1,488,604 |
| Charitable activities | 5 | 18,100,433 | 18,100,433 | 19,666,688 |
| Other income | | 22,554 | 22,554 | 61,229 |
| Total income | | 18,209,686 | 18,209,686 | 21,216,521 |
| Expenditure on: | | | | |
| Charitable activities | 6 | 17,207,125 | 17,207,125 | 19,822,195 |
| Total expenditure | | 17,207,125 | 17,207,125 | 19,822,195 |
| Net movement in funds | | 1,002,561 | 1,002,561 | 1,394,326 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 1,400,430 | 1,400,430 | 6,104 |
| Net movement in funds | | 1,002,561 | 1,002,561 | 1,394,326 |
| Total funds carried forward | | 2,402,991 | 2,402,991 | 1,400,430 |

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

The notes on pages 25 to 43 form part of these financial statements.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

**CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2023**

| | Note | 2023 £ | 2022 £ |
|------------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 10 | 99,647 | 112,103 |
| Tangible assets | 11 | 779,023 | 848,355 |
| | | 878,670 | 960,458 |
| Current assets | | | |
| Debtors | 13 | 2,839,029 | 1,905,510 |
| Cash at bank and in hand | | 1,901,012 | 1,716,568 |
| | | 4,740,041 | 3,622,078 |
| Creditors: amounts falling due within one year | 14 | (3,215,720) | (3,176,551) |
| Net current assets | | 1,524,321 | 445,527 |
| Total assets less current liabilities | | 2,402,991 | 1,405,985 |
| Provisions for liabilities | | - | (5,555) |
| Total net assets | | 2,402,991 | 1,400,430 |
| Charity funds | | | |
| Unrestricted funds | 16 | 2,402,991 | 1,400,430 |
| Total funds | | 2,402,991 | 1,400,430 |

The financial statements were approved and authorised for issue by the Trustees on 9 May 2024 and signed on their behalf by:



Ms A Segall
Chair of Trustees



Mr M Rule
Secretary



Mr T McHugh
Trustee

The notes on pages 25 to 43 form part of these financial statements.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

**SOCIETY BALANCE SHEET
AS AT 31 OCTOBER 2023**

| | Note | 2023 £ | 2022 £ |
|------------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 754,599 | 798,913 |
| Investments | 12 | 2 | 2 |
| | | <u>754,601</u> | <u>798,915</u> |
| Current assets | | | |
| Debtors | 13 | 2,835,941 | 2,047,964 |
| Cash at bank and in hand | | 1,888,402 | 1,689,150 |
| | | <u>4,724,343</u> | <u>3,737,114</u> |
| Creditors: amounts falling due within one year | 14 | (3,194,083) | (3,061,242) |
| Net current assets | | <u>1,530,260</u> | <u>675,872</u> |
| Total assets less current liabilities | | <u>2,284,861</u> | <u>1,474,787</u> |
| Provisions for liabilities | | - | (5,555) |
| Total net assets | | <u>2,284,861</u> | <u>1,469,232</u> |
| Charity funds | | | |
| Unrestricted funds | | 2,284,861 | 1,469,232 |
| Total funds | | <u>2,284,861</u> | <u>1,469,232</u> |

The Society's net movement in funds for the year was £815,629 (2022 - £1,463,229).

The financial statements were approved and authorised for issue by the Trustees on 9 May 2024 and signed on their behalf by:



Ms A Segall
Chair of Trustees



Mr T McHugh
Trustee



Mr M Rule
Secretary

The notes on pages 25 to 43 form part of these financial statements.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

| | 2023 | 2022 |
|-------------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash provided by operating activities | 417,778 | 1,255,807 |
| Cash flows from investing activities | | |
| Purchase of intangible assets | - | (124,559) |
| Purchase of tangible fixed assets | (201,219) | (277,427) |
| Sale of tangible fixed assets | 10,388 | 12,065 |
| Acquisition of subsidiary | - | (49,440) |
| HP interest paid | - | (3,714) |
| Net cash used in investing activities | (190,831) | (443,075) |
| Cash flows from financing activities | | |
| Repayments of borrowing | (36,999) | - |
| New secured loans | - | 36,999 |
| Repayments of finance leases | (5,504) | (6,420) |
| Interest paid | - | (6,788) |
| Net cash (used in)/provided by financing activities | (42,503) | 23,791 |
| Change in cash and cash equivalents in the year | 184,444 | 836,523 |
| Cash and cash equivalents at the beginning of the year | 1,716,568 | - |
| Cash on conversion to Community Benefit Society on 31 August 2021 | - | 880,045 |
| Cash and cash equivalents at the end of the year | 1,901,012 | 1,716,568 |

The notes on pages 25 to 43 form part of these financial statements

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

1. General information

The Community Benefit Society is an exempt Society registered with the Financial Conduct Authority (FCA registered number 8691) registered in England and Wales. The registered office is Building 1000, Western Road, Portsmouth, PO6 3EN.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The Community Benefit Society was formed on 31 August 2021 when it converted from a Company (Fairways Care UK Ltd). These financial statements are prepared from the date of conversion, with the net assets of the Company becoming the opening balances for the Community Benefit Society at that point.

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 and 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).

Fair Ways Community Benefit Society 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 Society has taken advantage of the exemption allowed and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

The Trustees have considered the future cashflow position of the Group and the Society and reviewed budgets for the period. The available cash reserves gives the Trustees confidence that the Group and the Society will continue to meet any liabilities as they fall due. As a result the accounts have been prepared on a going concern basis.

2.3 Income

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

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

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

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

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

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Intangible assets and amortisation

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

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:

| | |
|----------|----------------------|
| Goodwill | - 10 % Straight line |
|----------|----------------------|

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

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

| | |
|-------------------------------|------------------------------------------------------|
| Short-term leasehold property | - Shorter of 15 years or remaining life of the lease |
| Motor vehicles | - 3 years |
| Fixtures and fittings | - 3 years |

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

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

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

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

2. Accounting policies (continued)

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 Society anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.15 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.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

2. Accounting policies (continued)

2.16 Fund accounting

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

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group and the Society makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are not considered to be any significant areas of accounting estimate or judgement.

4. Income from donations and legacies

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------|----------------------------------------------|---------------------------------------|
| Government grants | <u>86,699</u> | <u>86,699</u> |

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|--------|----------------------------------------------|---------------------------------------|
| Grants | <u>1,488,604</u> | <u>1,488,604</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

5. Income from charitable activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-----------------------|------------------------------------|-----------------------------|
| Charitable activities | <u>18,100,433</u> | <u>18,100,433</u> |

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|-----------------------|----------------------------------------------|---------------------------------------|
| Charitable activities | <u>19,666,688</u> | <u>19,666,688</u> |

6. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Total 2023 £ |
|--------------|------------------------------------|--------------------|
| Direct costs | <u>17,207,125</u> | <u>17,207,125</u> |

| | <i>Unrestricted funds 2022 £</i> | <i>Total 2022 £</i> |
|--------------|----------------------------------------------|-----------------------------|
| Direct costs | <u>19,822,195</u> | <u>19,822,195</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

7. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ |
|--------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Direct costs | <u>13,984,742</u> | <u>3,222,384</u> | <u>17,207,126</u> |

| | <i>Activities undertaken directly 2022 £</i> | <i>Support costs 2022 £</i> | <i>Total funds 2022 £</i> |
|--------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Direct costs | <u>15,671,943</u> | <u>4,150,252</u> | <u>19,822,195</u> |

Analysis of direct costs

| | Care and education activities 2023 £ | Total funds 2023 £ |
|--------------------|-------------------------------------------------------------|---------------------------------------|
| Staff costs | 9,037,736 | 9,037,736 |
| Other direct costs | 4,947,006 | 4,947,006 |
| | <u>13,984,742</u> | <u>13,984,742</u> |

| | <i>Care and education activities 2022 £</i> | <i>Total funds 2022 £</i> |
|--------------------|-------------------------------------------------------------|---------------------------------------|
| Staff costs | 10,298,880 | 10,298,880 |
| Other direct costs | 5,373,063 | 5,373,063 |
| | <u>15,671,943</u> | <u>15,671,943</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Care and education activities 2023 £ | Total funds 2023 £ |
|---------------------|--------------------------------------------------|-----------------------------|
| Staff costs | 2,538,987 | 2,538,987 |
| Other support costs | 683,397 | 683,397 |
| | <u>3,222,384</u> | <u>3,222,384</u> |

| | Care and education activities 2022 £ | Total funds 2022 £ |
|---------------------|--------------------------------------------------|-----------------------------|
| Staff costs | 2,789,990 | 2,789,990 |
| Other support costs | 1,360,262 | 1,360,262 |
| | <u>4,150,252</u> | <u>4,150,252</u> |

8. Auditors' remuneration

| | 2023 £ | 2022 £ |
|--------------------------------------------------------------------------------------|---------------|---------------|
| Fees payable to the Society's auditor for the audit of the Society's annual accounts | <u>15,750</u> | <u>15,000</u> |
| All non-audit services not included above | <u>2,250</u> | <u>5,350</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

9. Staff costs

| | Group 2023 £ | <i>Group 2022 £</i> | Society 2023 £ | <i>Society 2022 £</i> |
|------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 10,339,995 | <i>11,642,001</i> | 10,234,432 | <i>11,534,950</i> |
| Social security costs | 921,806 | <i>1,045,481</i> | 912,666 | <i>1,036,682</i> |
| Contribution to defined contribution pension schemes | 314,922 | <i>401,388</i> | 312,728 | <i>400,356</i> |
| | <u>11,576,723</u> | <i><u>13,088,870</u></i> | <u>11,459,826</u> | <i><u>12,971,988</u></i> |

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

| | Group 2023 No. | <i>Group 2022 No.</i> |
|-----------|-------------------------------|-------------------------------|
| Headcount | <u>398</u> | <i><u>408</u></i> |

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

| | Group 2023 No. | <i>Group 2022 No.</i> |
|---------------------------------|-------------------------------|-------------------------------|
| In the band £60,000 - £70,001 | - | <i>3</i> |
| In the band £70,001 - £80,000 | 4 | <i>-</i> |
| In the band £80,001 - £90,000 | 3 | <i>2</i> |
| In the band £90,001 - £100,000 | - | <i>1</i> |
| In the band £120,001 - £130,000 | 1 | <i>-</i> |
| In the band £130,001 - £140,000 | - | <i>1</i> |
| In the band £140,001 - £150,000 | 1 | <i>-</i> |
| In the band £160,001 - £170,000 | - | <i>1</i> |

The Key Management Personnel of the Society during the period comprised of the Chief Executive Officer, the Managing Director, the Finance Director, the Director of Health and Education Services, the Director of IT & Communications, The Director of Residential and Family Services, the Director of Human Resources, the Director of Talent & Performance and the Director of Quality & Governance. The aggregate remuneration of Key Personnel for the period amounted to £844,179 (2022 - £887,071). Thomas McHugh and Ian Davies were Trustees during the period and also received remuneration in relation to their employment with the society. Their remuneration solely related to their employment and is included in the key management personnel disclosure above. No Trustee received any remuneration for their role as a Trustee.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

10. Intangible assets

Group

Goodwill
£

Cost

At 1 November 2022 124,559

At 31 October 2023 124,559

Amortisation

At 1 November 2022 12,456

Charge for the year 12,456

At 31 October 2023 24,912

Net book value

At 31 October 2023 99,647

At 31 October 2022 112,103

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

11. Tangible fixed assets

Group

| | Short-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|------------------------------------------|------------------------|-------------------------------|------------|
| Cost or valuation | | | | |
| At 1 November 2022 | 936,782 | 288,522 | 433,721 | 1,659,025 |
| Additions | 54,743 | 76,540 | 69,936 | 201,219 |
| Disposals | (8,118) | (64,009) | (30,193) | (102,320) |
| At 31 October 2023 | 983,407 | 301,053 | 473,464 | 1,757,924 |

Depreciation

| | | | | |
|---------------------|---------|----------|----------|----------|
| At 1 November 2022 | 348,588 | 165,547 | 296,535 | 810,670 |
| Charge for the year | 133,185 | 49,720 | 67,910 | 250,815 |
| On disposals | (4,219) | (50,905) | (27,460) | (82,584) |
| At 31 October 2023 | 477,554 | 164,362 | 336,985 | 978,901 |

Net book value

| | | | | |
|--------------------|---------|---------|---------|---------|
| At 31 October 2023 | 505,853 | 136,691 | 136,479 | 779,023 |
| At 31 October 2022 | 588,194 | 122,975 | 137,186 | 848,355 |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

11. Tangible fixed assets (continued)

Society

| | Short-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|------------------------------------------|------------------------|-------------------------------|------------|
| Cost or valuation | | | | |
| At 1 November 2022 | 936,782 | 258,386 | 429,820 | 1,624,988 |
| Additions | 54,743 | 76,515 | 69,666 | 200,924 |
| Disposals | (8,118) | (52,172) | (30,193) | (90,483) |
| At 31 October 2023 | 983,407 | 282,729 | 469,293 | 1,735,429 |

Depreciation

| | | | | |
|---------------------|---------|----------|----------|----------|
| At 1 November 2022 | 348,588 | 165,547 | 311,940 | 826,075 |
| Charge for the year | 133,185 | 41,520 | 62,634 | 237,339 |
| On disposals | (4,219) | (50,905) | (27,460) | (82,584) |
| At 31 October 2023 | 477,554 | 156,162 | 347,114 | 980,830 |

Net book value

| | | | | |
|--------------------|---------|---------|---------|---------|
| At 31 October 2023 | 505,853 | 126,567 | 122,179 | 754,599 |
| At 31 October 2022 | 588,194 | 92,839 | 117,880 | 798,913 |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

12. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|---------------------------------------------------|
| Society | |
| Cost or valuation | |
| At 1 November 2022 | <u>2</u> |
| At 31 October 2023 | <u>2</u> |
| Net book value | |
| At 31 October 2023 | <u>2</u> |
| At 31 October 2022 | <u>2</u> |

Principal subsidiaries

The following were subsidiary undertakings of the Society:

| Names | Registered office or principal place of business | Principal activity | Class of shares |
|------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------|------------------------|
| Fairways Care Wales Operations Ltd | Unit 1, Old Legions Place, Perth Y Dion, Resolven, Neath, Wales, SA11 4NJ | Provision of outdoor activities for children and young people | Ordinary |
| School Camp Ltd | Unit 1, Old Legions Place, Perth Y Dion, Resolven, Neath, Wales, SA11 4NJ | Non trading entity | Ordinary |

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Surplus/ (Deficit) for the year £ | Net assets £ |
|------------------------------------|---------------------|--------------------------|------------------------------------------------------|-------------------------|
| Fairways Care Wales Operations Ltd | 115,948 | (120,576) | (10,289) | 18,484 |
| School Camp Ltd | - | 74,676 | 74,676 | - |

Fairways Care Wales Operations Ltd and School Camp Ltd are 100% directly held subsidiaries.

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

13. Debtors

| | Group 2023 £ | Group 2022 £ | Society 2023 £ | Society 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 2,381,499 | 1,545,519 | 2,381,066 | 1,530,045 |
| Amounts owed by group undertakings | - | - | - | 192,557 |
| Amounts owed by related parties | - | 5,408 | - | 5,408 |
| Other debtors | 153,390 | 229,129 | 150,735 | 194,500 |
| Prepayments and accrued income | 304,140 | 125,454 | 304,140 | 125,454 |
| | <u>2,839,029</u> | <u>1,905,510</u> | <u>2,835,941</u> | <u>2,047,964</u> |

14. Creditors: Amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Society 2023 £ | Society 2022 £ |
|-------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | - | 36,999 | - | - |
| Trade creditors | 121,704 | 351,834 | 115,101 | 352,155 |
| Amounts owed to related parties | 728,892 | 758,892 | 728,892 | 758,892 |
| Other taxation and social security | 305,452 | 375,157 | 297,445 | 362,872 |
| Obligations under finance lease and hire purchase contracts | 22,630 | 28,133 | 22,630 | 28,133 |
| Other creditors | 864,202 | 792,905 | 862,926 | 748,892 |
| Accruals and deferred income | 1,172,840 | 811,778 | 1,167,089 | 810,298 |
| Deferred consideration | - | 20,853 | - | - |
| | <u>3,215,720</u> | <u>3,176,551</u> | <u>3,194,083</u> | <u>3,061,242</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

15. Financial instruments

| | Group 2023 £ | <i>Group 2022 £</i> | Society 2023 £ | <i>Society 2022 £</i> |
|---------------------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Financial assets | | | | |
| Financial assets measured at amortised cost | <u>4,435,901</u> | <u>3,491,216</u> | <u>4,420,203</u> | <u>3,413,695</u> |
| | <u>Group 2023 £</u> | <u><i>Group 2022 £</i></u> | <u>Society 2023 £</u> | <u><i>Society 2022 £</i></u> |

Financial liabilities

| | | | | |
|--------------------------------------------------|-------------------------|------------------|-------------------------|------------------|
| Financial liabilities measured at amortised cost | <u>1,355,611</u> | <u>1,417,785</u> | <u>1,341,980</u> | <u>1,406,660</u> |
|--------------------------------------------------|-------------------------|------------------|-------------------------|------------------|

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

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

16. Statement of funds

Statement of funds - current year

| | Balance at 1 November 2022 £ | Income | Expenditure £ | Balance at 31 October 2023 £ |
|---------------------------|-------------------------------------------------|--------------------------|----------------------------|-------------------------------------------------|
| Unrestricted funds | | | | |
| General Funds - all funds | <u>1,400,430</u> | <u>18,209,686</u> | <u>(17,207,125)</u> | <u>2,402,991</u> |

Statement of funds - prior year

| | <i>At conversion on 31 August 2021 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Balance at 31 October 2022 £</i> |
|---------------------------|----------------------------------------------------------|--------------------------|----------------------------|-------------------------------------------------|
| Unrestricted funds | | | | |
| General Funds | <u><i>6,104</i></u> | <u><i>21,216,521</i></u> | <u><i>(19,822,195)</i></u> | <u><i>1,400,430</i></u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

17. Summary of funds

Summary of funds - current year

| | Balance at 1 November 2022 £ | Income £ | Expenditure £ | Balance at 31 October 2023 £ |
|---------------|---------------------------------------|-------------------|---------------------|---------------------------------------|
| General funds | <u>1,400,430</u> | <u>18,209,686</u> | <u>(17,207,125)</u> | <u>2,402,991</u> |

Summary of funds - prior year

| | <i>Balance at 1 September 2021 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Balance at 31 October 2022 £</i> |
|---------------|--------------------------------------------------|---------------------|--------------------------|-------------------------------------------------|
| General funds | <u>6,104</u> | <u>21,216,521</u> | <u>(19,822,195)</u> | <u>1,400,430</u> |

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 779,023 | 779,023 |
| Intangible fixed assets | 99,647 | 99,647 |
| Current assets | 4,740,041 | 4,740,041 |
| Creditors due within one year | (3,215,720) | (3,215,720) |
| Total | <u>2,402,991</u> | <u>2,402,991</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|----------------------------------------|----------------------------------------------|---------------------------------------|
| Tangible fixed assets | 848,355 | 848,355 |
| Intangible fixed assets | 112,103 | 112,103 |
| Current assets | 3,622,078 | 3,622,078 |
| Creditors due within one year | (3,176,551) | (3,176,551) |
| Provisions for liabilities and charges | (5,555) | (5,555) |
| Total | <u>1,400,430</u> | <u>1,400,430</u> |

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

| | Group 2023 £ | <i>Group 2022 £</i> |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net income for the year (as per Statement of Financial Activities) | 1,002,561 | 1,394,326 |
| Adjustments for: | | |
| Amortisation of intangible assets | 12,456 | 12,456 |
| Depreciation of tangible assets | 250,815 | 252,269 |
| Profit on disposal of tangible assets | 9,348 | (6,577) |
| Interest paid | - | 10,502 |
| (Decrease)/Increase in provision | (5,555) | - |
| (Increase)/Decrease in debtors | (933,519) | 507,446 |
| Increase/(Decrease) in creditors | 81,672 | (914,615) |
| Net cash provided by operating activities | <u>417,778</u> | <u>1,255,807</u> |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

20. Analysis of cash and cash equivalents

| | Group 2023 £ | <i>Group 2022 £</i> |
|----------------------------------------|-----------------------------|-----------------------------|
| Cash in hand | 1,901,012 | 1,716,568 |
| Total cash and cash equivalents | 1,901,012 | 1,716,568 |

21. Analysis of changes in net debt

| | At 1 November 2022 £ | Cash flows £ | At 31 October 2023 £ |
|------------------------------|-----------------------------------------|-------------------------|-----------------------------------------|
| Cash at bank and in hand | 1,716,568 | 184,444 | 1,901,012 |
| Debt due within 1 year | (36,999) | 36,999 | - |
| Finance leases within 1 year | (28,133) | 5,503 | (22,630) |
| | 1,651,436 | 226,946 | 1,878,382 |

22. Operating lease commitments

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

| | Group 2023 £ | <i>Group 2022 £</i> | Society 2023 £ | <i>Society 2022 £</i> |
|----------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Land and buildings | | | | |
| Not later than 1 year | 776,549 | 757,246 | 776,549 | 757,246 |
| Later than 1 year and not later than 5 years | 2,443,996 | 2,566,473 | 2,443,996 | 2,566,473 |
| Later than 5 years | 1,916,672 | 2,343,364 | 1,916,672 | 2,343,364 |
| | 5,137,217 | 5,667,083 | 5,137,217 | 5,667,083 |

FAIR WAYS COMMUNITY BENEFIT SOCIETY

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

23. Related party transactions

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

Thomas McHugh and Ian Davies were Trustees during the period and also received remuneration in relation to their employment with the society. Their remuneration solely related to their employment. No Trustee received any remuneration for their role as a Trustee. Thomas McHugh owed £7,976 (2022- £4,186) to the Society at the year end. The Trustees were not paid or in receipt of any other benefits from employment with the Society or its subsidiary in the year. No Trustees were reimbursed for travel expenses and no trustees were reimbursed for IT costs in the current and prior year in relation to their role as a Trustee. No Trustee received payment for professional or other services supplied to the Society.

There were transactions between the Society and the group headed by Fair Ways Foundation, a charity who has Trustees in common. The balances with Fair Ways Foundation are shown as amounts owed to and from related parties in notes 13 and 14.



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Fair Ways



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