

Charity number: 1159854

# **Fair Ways Foundation**

Registered number: 08979945

## **Trustees report and financial statements**

**For the year ended 31 October 2018**

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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# **FAIR WAYS FOUNDATION**

## **(A Company Limited by Guarantee)**

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### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) are pleased to present their annual report together with the audited consolidated financial statements of Fair Ways Foundation (the company and the group) for the year ended 31 October 2018 which have been prepared to meet the requirements for a directors' report and accounts for Companies Act Purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

#### **Our objectives and Activities**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

#### **Our objectives and Activities**

The objectives of our charity are to:

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

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

The strategies and activities employed to meet the charities objectives are as follows:

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

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

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

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

#### **Strategic report**

#### **Achievements and performance**

#### **Key financial performance indicators**

The Trustees are delighted to report that in Spring 2018 the company was judged by the Sunday Times Best 100 committee to be the 3rd best company to work for in the not for profit sector.

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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##### **Review of activities**

Fairways Care (UK) Limited has had a successful year, in which the various services cared for 329 young people on behalf of 25 different Local Authorities.

##### **Fair Ways Foundation Grants**

The Foundation makes available funding of £5,000 per annum to each of three funds:

The Talking Fund	psychological talking therapies for young people leaving care
Youth Training Provider Fund	to engage young people not in education, training or employment
Education Bursary Fund	tuition or practical support for transition to higher education

In addition the Foundation will consider other grant applications against strict criteria.

##### **Fair Ways Foundation Annual Charitable Challenge**

In 2018 the Foundation agreed to be the lead sponsor for The Fairy Garden at Netley, a sculpture park created by an artist, staff and children which will be open to the whole community once adopted by Hampshire County Council in 2019.

##### **Financial review**

This was a year of sound financial performance whilst achieving the care objectives of the charity. The Foundation is building reserves to support future development, and comply with financial covenants. The results for the year are set out on page 10. Total income amounted to £12,391,849 (2017: £11,168,042) and total expenditure amounted to £11,545,206 (2017: £10,688,859) resulting in net income of £846,643 (2017: £479,183).

##### **Investment powers and policy**

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

##### **Reserves policy**

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

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

- Reserves equivalent to 3 months repayments of all charity loans.

The trading company has a prudent reserves policy as follows:

- Reserves equivalent to 6 weeks of the salary bill of the trading company

This key performance indicator is reported to the trustees on a quarterly basis.

At the year end total reserves of the group stood at £2,195,425, of these £3,451,770 less associated debt of £1,903,946 are invested in tangible fixed assets.

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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##### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operation for not less than twelve months from the date of this report. The Trustees have therefore used 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.

##### **Plans for future periods**

The charity operates independently from the trading operations of Fairway Care (UK) Limited, focused on the welfare of children and young people. The charity will continue to focus on the delivery of activities set out in the "objectives and activities" section on page 1 of this report and with its grant making activities set out on page 2.

##### **Structure, governance and management**

###### **Governing document**

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

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

###### **Method of appointment or election of Trustees**

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

###### **Policies adopted for the induction and training of Trustees**

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

###### **Pay policy for senior staff**

The trustees, chief executive officer, company secretary (director of finance) and the general manager comprise the key operational management personnel of the charity in charge of directing and controlling, running and operating the trading company on a day to day basis. All trustees give of their time freely and are not remunerated. The remuneration of the managing director is set by a remuneration committee made up of Trustees. The managing director sets the pay for the executive team. Details of trustee expenses are disclosed in Note 12 to the accounts.

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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#### **TRUSTEES' REPORT (continued)**

#### ***FOR THE YEAR ENDED 31 OCTOBER 2018***

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##### **Related party relationships**

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

##### **Risk management**

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

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

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

##### **Information on fundraising practices**

The Foundation is not directly involved in fundraising, it benefits from the grant specific activities of the fundraising officer employed by the trading subsidiary.

##### **Employee involvement and employment of the disabled**

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

The charity and the group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the charity and the group's Equal Opportunities Policy, the charity and the group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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Full details of these policies are available from the charity and the group's offices.

#### **Trustees' responsibilities statement**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disclosure of information to auditor**

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

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

This report, incorporating the Strategic Report, was approved by the Trustees, on 14 December 2018 and signed on their behalf by:



**Mr Ian Davies, Chairman**

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
***FOR THE YEAR ENDED 31 OCTOBER 2018***

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<b>Trustees</b>	Mr Ian Davies, Dr. Alexander Burnfield Mr Adrian Fry (appointed 23 March 2018) Mr David Pilgrim (appointed 23 March 2018) Ms Anne Segall	Chairman
<b>Company registered number</b>	08979945	
<b>Charity registered number</b>	1159854	
<b>Registered office</b>	Suite 8, Fairways House Mount Pleasant Road Southampton Hampshire SO14 0QB	
<b>Company secretary</b>	Mrs Vivien A Sheath	
<b>General Manager</b>	Paul Moran	
<b>Independent auditor</b>	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP	
<b>Bankers</b>	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB	



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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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

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### **Opinion**

We have audited the financial statements of Fair Ways Foundation (the 'charity') and its subsidiary ('the group') for the year ended 31 October 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 October 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information in the Trustees' Report, incorporating the Strategic Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report, incorporating the Strategic Report, has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, incorporating the Strategic Report.

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

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

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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

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### **Responsibilities of Directors**

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

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



Jonathan Marchant (Senior statutory auditor)

for and on behalf of

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

Date: 21/11/19.

**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME  
AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>				
Donations and legacies	2	245,180	245,180	-
Charitable activities	4	12,144,213	12,144,213	11,167,032
Investments	3	2,456	2,456	1,010
<b>Total income</b>		<u>12,391,849</u>	<u>12,391,849</u>	<u>11,168,042</u>
<b>Expenditure on:</b>				
Charitable activities	6,7,8	11,545,206	11,545,206	10,688,859
<b>Total expenditure</b>	5	<u>11,545,206</u>	<u>11,545,206</u>	<u>10,688,859</u>
<b>Net income for the year</b>		846,643	846,643	479,183
<b>Net movement in funds</b>		846,643	846,643	479,183
<b>Reconciliation of funds:</b>				
Total funds brought forward		1,348,782	1,348,782	869,599
<b>Total funds carried forward</b>		<u>2,195,425</u>	<u>2,195,425</u>	<u>1,348,782</u>

The notes on pages 14 to 31 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 OCTOBER 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	12		1,290,880		1,482,121
Tangible assets	13		3,451,770		2,844,226
Investments	14		-		-
			<u>4,742,650</u>		<u>4,326,347</u>
<b>Current assets</b>					
Debtors	15	1,318,877		1,423,997	
Cash at bank and in hand		2,016,305		1,152,632	
		<u>3,335,182</u>		<u>2,576,629</u>	
<b>Creditors:</b> amounts falling due within one year	16	(1,982,155)		(1,756,551)	
<b>Net current assets</b>			<u>1,353,027</u>		<u>820,078</u>
<b>Total assets less current liabilities</b>			<u>6,095,677</u>		<u>5,146,425</u>
<b>Creditors:</b> amounts falling due after more than one year	17		(3,894,697)		(3,792,088)
Deferred tax	18		(5,555)		(5,555)
<b>Net assets</b>			<u><u>2,195,425</u></u>		<u><u>1,348,782</u></u>
<b>Charity Funds</b>					
Unrestricted funds:					
Unrestricted funds	20	1,691,388		844,745	
Revaluation reserve		504,037		504,037	
Total unrestricted funds			<u>2,195,425</u>		<u>1,348,782</u>
<b>Total funds</b>			<u><u>2,195,425</u></u>		<u><u>1,348,782</u></u>

The financial statements were approved and authorised for issue by the Trustees on 14 December 2018 and signed on their behalf, by:

*I. Davies*

**Mr Ian Davies, Chairman**

The notes on pages 14 to 31 form part of these financial statements.

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

**CHARITY BALANCE SHEET**  
**AS AT 31 OCTOBER 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		3,042,090		2,477,292
Investments	14		3,035,030		3,035,030
			<u>6,077,120</u>		<u>5,512,322</u>
<b>Current assets</b>					
Debtors	15	19,496		69,217	
Cash at bank		1,290,795		232,226	
		<u>1,310,291</u>		<u>301,443</u>	
<b>Creditors:</b> amounts falling due within one year	16	(309,323)		(295,062)	
<b>Net current assets</b>			<u>1,000,968</u>		<u>6,381</u>
<b>Total assets less current liabilities</b>			<u>7,078,088</u>		<u>5,518,703</u>
<b>Creditors:</b> amounts falling due after more than one year	17		(3,894,697)		(3,792,088)
<b>Net assets</b>			<u><u>3,183,391</u></u>		<u><u>1,726,615</u></u>
<b>Charity Funds</b>					
Unrestricted funds:					
Unrestricted income funds	20	2,679,354		1,222,578	
Revaluation reserve		<u>504,037</u>		<u>504,037</u>	
Total unrestricted funds			<u>3,183,391</u>		<u>1,726,615</u>
<b>Total funds</b>			<u><u>3,183,391</u></u>		<u><u>1,726,615</u></u>

The financial statements were approved and authorised for issue by the Trustees on 14 December 2018 and signed on their behalf, by:

*I. Davies*

**Mr Ian Davies, Chairman**

The notes on pages 14 to 31 form part of these financial statements.

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	1,445,636	695,656
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,456	1,010
Proceeds from the sale of tangible fixed assets		10,061	16,034
Purchase of tangible fixed assets		(714,310)	(136,145)
<b>Net cash used in investing activities</b>		(701,793)	(119,101)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(265,170)	(248,705)
Cash inflows from new borrowing		385,000	-
<b>Net cash provided by/(used in) financing activities</b>		119,830	(248,705)
<b>Change in cash and cash equivalents in the year</b>		863,673	327,850
Cash and cash equivalents brought forward		1,152,632	824,782
<b>Cash and cash equivalents carried forward</b>	23	2,016,305	1,152,632

The notes on pages 14 to 31 form part of these financial statements.

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# **FAIR WAYS FOUNDATION**

## **(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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#### **1. Accounting Policies**

##### **1.1 General information**

The charity is a private company limited by guarantee (company registered number 08979945 and charity registered number 1159854) registered in England and Wales. The registered office is Suite 8, Fairways House, Mount Pleasant Road, Southampton, Hampshire, SO4 0QB.

The presentation currency of the financial statements is sterling and the financial statements are rounded to the nearest £. The financial statements cover the current year ended 31 October 2018 and the comparative information relates to the year ended 31 October 2017.

##### **1.2 Basis of preparation of financial statements**

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

Fair Ways Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

##### **1.3 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 6. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### **1.4 Preparation of the financial statements on a going concern basis**

The financial statements have been prepared on the basis that the charity is a going concern. The trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2019 and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

##### **1.5 Fund accounting**

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



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# **FAIR WAYS FOUNDATION**

## **(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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#### **1. Accounting Policies (continued)**

##### **1.6 Income**

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

##### **1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.8 Expenditure**

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

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

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

##### **1.9 Intangible fixed assets and amortisation**

Intangible assets comprise the customer relations acquired when the charity purchased Fairways Care (UK) Limited.

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

Customer relations	-	Straight line over 10 years
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##### **1.10 Tangible fixed assets and depreciation**

All assets costing more than £250 are capitalised.

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

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# **FAIR WAYS FOUNDATION**

## **(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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#### **1. Accounting Policies (continued)**

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Nil
S/Term Leasehold Property	-	Shorter of 15 years or remaining life of the lease
Motor vehicles	-	Straight line over 3 years
Fixtures & fittings	-	Straight line over 3 years
Mobile Homes	-	Straight line over 15 years

##### **1.11 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

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

##### **1.12 Operating leases**

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

##### **1.13 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.

##### **1.14 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.

##### **1.15 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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# **FAIR WAYS FOUNDATION**

## **(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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#### **1. Accounting Policies (continued)**

##### **1.16 Financial instruments**

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

##### **1.17 Deferred taxation**

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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

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

Deferred tax assets and liabilities are not discounted.

##### **1.18 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.

##### **1.19 Judgements in applying accounting policies and key sources of estimation uncertainty**

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

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**2. Income from donations and legacies**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	319	319	-
Grants	244,861	244,861	-
	<hr/>	<hr/>	<hr/>
Total donations and legacies	245,180	245,180	-
	<hr/>	<hr/>	<hr/>

**3. Investment income**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	2,456	2,456	1,010
	<hr/>	<hr/>	<hr/>
Total 2017	1,010	1,010	
	<hr/>	<hr/>	

**4. Income from charitable activities**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Provision of care and education activities	12,144,213	12,144,213	11,167,032
	<hr/>	<hr/>	<hr/>
Total 2017	11,167,032	11,167,032	
	<hr/>	<hr/>	

**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

**5. Analysis of Expenditure by expenditure type**

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of care and education activities	6,761,605	100,194	4,472,339	11,334,138	10,480,751
Expenditure on governance	-	191,241	19,827	211,068	208,108
	<u>6,761,605</u>	<u>291,435</u>	<u>4,492,166</u>	<u>11,545,206</u>	<u>10,688,859</u>
<b>Total 2017</b>	<u>6,353,836</u>	<u>278,632</u>	<u>4,056,391</u>	<u>10,688,859</u>	

**6. Direct costs**

	Activities £	Total 2018 £	Total 2017 £
Light and heat	69,982	69,982	63,558
Repairs and maintenance	216,213	216,213	216,126
Telephone and mobiles	36,110	36,110	34,384
Vehicle running costs/mileage	229,011	229,011	217,099
Rent	386,139	386,139	372,309
Teaching supplies	11,188	11,188	10,910
Rates and water	60,734	60,734	62,264
Food	106,666	106,666	99,825
Other establishment costs	202,612	202,612	170,293
Consultation, therapy fees and bought in services	232,487	232,487	487,241
Panel/assessments	12,078	12,078	22,441
Foster allowances	1,229,384	1,229,384	1,065,997
Caravan	386	386	4,609
Support activities	187,561	187,561	159,189
Support mileage	37,952	37,952	30,758
Insurance	86,473	86,473	75,006
Recruitment and business development	146,693	146,693	149,998
Department training	239,924	239,924	209,089
Donations	8,831	8,831	-
Agency staff	346,767	346,767	-
Wages and salaries	5,403,542	5,403,542	5,182,671
	<u>9,250,733</u>	<u>9,250,733</u>	<u>8,633,767</u>
<b>Total 2017</b>	<u>8,633,767</u>	<u>8,633,767</u>	

**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

**7. Support costs**

	<b>Activities</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Staff Welfare	51,111	51,111	55,234
Travel and subsistence	17,607	17,607	14,853
Stationery	13,573	13,573	11,338
Telephone	5,367	5,367	2,224
Computer support/maintenance	68,318	68,318	65,987
Subscriptions/CRB checks	2,678	2,678	3,237
Legal fees	70,075	70,075	51,552
Bank charges	8,857	8,857	3,548
Rent	36,230	36,230	36,014
Rates	14,534	14,534	13,552
Light and heat	7,262	7,262	7,653
Service charges	14,457	14,457	15,774
Repairs and maintenance	57,081	57,081	16,488
Mobile phones	2,569	2,569	1,793
Input VAT not reclaimable	2,711	2,711	1,823
Office equipment	5,460	5,460	4,464
Sale of fixed assets	(3,489)	(3,489)	(9,239)
Bank and loan interest	218,613	218,613	226,091
Entertainment	45	45	42
Corporation tax	32,089	32,089	66,000
Wages and salaries	1,358,063	1,358,063	1,171,165
Depreciation	100,194	100,194	87,391
	<u>2,083,405</u>	<u>2,083,405</u>	<u>1,846,984</u>
<b>Total 2017</b>	<u>1,846,984</u>	<u>1,846,984</u>	

**8. Governance costs**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Auditors' remuneration	6,541	6,541	9,152
Auditors' non audit costs	12,172	12,172	6,166
Trustee indemnity insurance	1,034	1,034	1,022
Trustee travel reimbursed	80	80	527
Amortisation of intangible asset	191,241	191,241	191,241
	<u>211,068</u>	<u>211,068</u>	<u>208,108</u>

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**9. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	100,194	87,391
Amortisation of intangible fixed assets	191,241	191,241
Operating lease rentals	36,230	36,014
	<u>          </u>	<u>          </u>

**10. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	6,541	9,152
Fees payable to the charity's auditor and its associates in respect of:		
Taxation compliance services	725	725
All other non-audit services not included above	11,447	5,441
	<u>          </u>	<u>          </u>

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## **FAIR WAYS FOUNDATION**

### **(A Company Limited by Guarantee)**

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#### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2018**

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#### **11. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,114,354	5,707,586
Social security costs	501,876	525,397
Other pension costs	145,375	120,853
	<hr/>	<hr/>
	6,761,605	6,353,836
	<hr/>	<hr/>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Directors	6	5
Maintenance	5	4
Admin	40	33
Direct staff	229	226
	<hr/>	<hr/>
	280	268
	<hr/>	<hr/>

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	3	3
In the band £110,000 - £120,000	1	1

The trustees were not paid or in receipt of any other benefits from employment with the charity or its subsidiary in the year. One trustee was reimbursed £80 (2017: £527 to two trustees) for travel expenses in the year. No trustee received payment for professional or other services supplied to the charity.

The key management personnel of the group comprise those of the trust (the trustees), the chief executive officer, the general manager and the director of finance. The aggregate remuneration and benefits for key management personnel total £305,137 (2017: £318,668).



**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

**12. Intangible fixed assets**

<b>Group</b>	<b>Customer relations £</b>
<b>Cost</b>	
At 1 November 2017 and 31 October 2018	1,912,413
<b>Amortisation</b>	
At 1 November 2017	430,292
Charge for the year	191,241
At 31 October 2018	621,533
<b>Carrying amount</b>	
At 31 October 2018	1,290,880
At 31 October 2017	1,482,121

**13. Tangible fixed assets**

<b>Group</b>	<b>Freehold property £</b>	<b>S/Term Leasehold Property £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Mobile Homes £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 November 2017	2,477,292	433,274	92,497	306,675	31,979	3,341,717
Additions	564,798	56,006	56,650	36,856	-	714,310
Disposals	-	-	(20,985)	(22,372)	(31,979)	(75,336)
At 31 October 2018	3,042,090	489,280	128,162	321,159	-	3,980,691
<b>Depreciation</b>						
At 1 November 2017	-	165,592	44,602	256,904	30,393	497,491
Charge for the year	-	38,971	29,472	31,751	-	100,194
On disposals	-	-	(17,361)	(21,010)	(30,393)	(68,764)
At 31 October 2018	-	204,563	56,713	267,645	-	528,921
<b>Net book value</b>						
At 31 October 2018	3,042,090	284,717	71,449	53,514	-	3,451,770
At 31 October 2017	2,477,292	267,682	47,895	49,771	1,586	2,844,226

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**13. Tangible fixed assets (continued)**

	<b>Freehold property £</b>
<b>Charity</b>	
<b>Cost or valuation</b>	
At 1 November 2017	2,477,292
Additions	564,798
At 31 October 2018	<u>3,042,090</u>
<b>Depreciation</b>	
At 1 November 2017 and 31 October 2018	<u>-</u>
<b>Net book value</b>	
At 31 October 2018	<u>3,042,090</u>
At 31 October 2017	<u>2,477,292</u>

**14. Fixed asset investments**

		Shares in group undertakings £
Charity		
Market value		
At 1 November 2017 and 31 October 2018		3,035,030
<hr/>		
Charity investments at market value comprise:		
	2018 £	2017 £
Group	3,035,030	3,035,030
	<hr/>	<hr/>

All the fixed asset investments are held in the UK.

**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

**15. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,074,663	1,238,135	-	-
Other debtors	72,003	21,584	-	-
Prepayments and accrued income	172,211	164,278	19,496	69,217
	<u>1,318,877</u>	<u>1,423,997</u>	<u>19,496</u>	<u>69,217</u>

**16. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	54,784	43,422	54,784	43,422
Other loans	224,808	218,949	224,808	218,949
Trade creditors	167,169	107,720	-	-
Amounts owed to group undertakings	-	-	-	7,863
Corporation tax	38,000	66,000	-	-
Other taxation and social security	264,502	258,811	-	-
Other creditors	464,383	435,281	-	-
Accruals and deferred income	768,509	626,368	29,731	24,828
	<u>1,982,155</u>	<u>1,756,551</u>	<u>309,323</u>	<u>295,062</u>

	<b>Group</b>		<b>Charity</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income at 1 November 2017	348,644	358,846	-	-
Resources deferred during the year	553,389	348,644	-	-
Amounts released from previous years	(348,644)	(358,846)	-	-
Deferred income at 31 October 2018	<u>553,389</u>	<u>348,644</u>	<u>-</u>	<u>-</u>

# FAIR WAYS FOUNDATION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	1,849,162	1,753,548	1,849,162	1,753,548
Other loans	2,045,535	2,038,540	2,045,535	2,038,540
	<b>3,894,697</b>	<b>3,792,088</b>	<b>3,894,697</b>	<b>3,792,088</b>

Included within the above are amounts falling due as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Between one and two years</b>				
Bank loans	56,958	278,773	56,958	278,773
<b>Between two and five years</b>				
Bank loans	184,798	146,638	184,798	146,638
Other loans	1,099,618	798,958	1,099,618	798,958
<b>Over five years</b>				
Bank loans	1,607,406	1,328,137	1,607,406	1,328,137
Other loans	945,917	1,239,582	945,917	1,239,582

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	2,553,323	2,567,719	2,553,323	2,567,719

The bank loan has a fixed and floating charge over freehold property known as Manor Farm and cottage; freehold property known as 43 Paddington Grove, Bournemouth; freehold property known as 63 Crowther Close, Southampton, 2 St Saviours Terrace, Ty Rhos Bach, 75 Porchester Road and all freehold and leasehold property vested in the company both at present and in the future. The loan is repayable over 25 years and interest is charged at bank base rate plus 3%.

There is a debenture dated 24 July 2015 incorporating a fixed & floating charge given by both Fair Ways Foundation & Fairways Care (UK) Ltd.

There is a guarantee limited to £1.3m dated 24 July 2015 given by Fairways Care (UK) Ltd to Fair Ways Foundation.

# FAIR WAYS FOUNDATION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

#### 18. Deferred taxation

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
At beginning and end of year	5,555	5,555	-	-

The provision for deferred taxation is made up as follows:

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Accelerated capital allowances	5,555	5,555	-	-

#### 19. Financial instruments

	2018 £	2017 £
Financial assets measured at amortised cost	3,162,971	2,485,265
Financial liabilities measured at amortised cost	5,020,961	4,581,465

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

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

#### 20. Statement of funds

##### Statement of funds - current year

	Balance at 1 November 2017 £	Income £	Expenditure £	Balance at 31 October 2018 £
<b>Unrestricted funds</b>				
General Fund	844,745	12,391,849	(11,545,206)	1,691,388
Revaluation Reserve	504,037	-	-	504,037
	<u>1,348,782</u>	<u>12,391,849</u>	<u>(11,545,206)</u>	<u>2,195,425</u>

The general fund relates to the accumulated surpluses of the group.

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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**20. Statement of funds (continued)**

The revaluation reserve relates to the excess of the market value of properties owned over their historic cost.

**Statement of funds - prior year**

	Balance at 1 November 2016 £	Income £	Expenditure £	Balance at 31 October 2017 £
<b>General funds</b>				
General Fund	365,562	11,168,042	(10,688,859)	844,745
Revaluation Reserve	504,037	-	-	504,037
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	1,290,880	1,290,880
Tangible fixed assets	3,451,772	3,451,772
Current assets	3,335,182	3,335,182
Creditors due within one year	(1,982,157)	(1,982,157)
Creditors due in more than one year	(3,894,697)	(3,894,697)
Provisions for liabilities and charges	(5,555)	(5,555)
	<u>          </u>	<u>          </u>
	2,195,425	2,195,425
	<u>          </u>	<u>          </u>

**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2017 £</b>	<b>Total funds 2017 £</b>
Intangible fixed assets	1,482,121	1,482,121
Tangible fixed assets	2,844,226	2,844,226
Current assets	2,576,628	2,576,628
Creditors due within one year	(1,756,550)	(1,756,550)
Creditors due in more than one year	(3,792,088)	(3,792,088)
Provisions for liabilities and charges	(5,555)	(5,555)
	<u>1,348,782</u>	<u>1,348,782</u>

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

	<b>2018 £</b>	<b>Group 2017 £</b>
Net income for the year (as per Statement of Financial Activities)	846,643	479,183
<b>Adjustment for:</b>		
Depreciation charges	291,435	278,632
Dividends, interest and rents from investments	(2,456)	(1,010)
Profit on the sale of fixed assets	(3,489)	(9,239)
Decrease/(increase) in debtors	105,120	(138,880)
Increase in creditors	208,383	86,970
<b>Net cash provided by operating activities</b>	<u>1,445,636</u>	<u>695,656</u>

**23. Analysis of cash and cash equivalents**

	<b>2018 £</b>	<b>Group 2017 £</b>
Cash in hand	2,016,305	1,152,632
<b>Total</b>	<u>2,016,305</u>	<u>1,152,632</u>

# FAIR WAYS FOUNDATION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

#### 24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £145,375 (2017: £120,853). Contributions totalling £25,334 (2016: £29,987) were payable to the fund at the balance sheet date and are included in creditors

#### 25. Operating lease commitments

At 31 October 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Group</b>		
<b>Land and buildings -</b>		
Within 1 year	593,196	464,041
Between 1 and 5 years	1,488,205	1,456,035
After more than 5 years	2,508,605	2,666,511
<b>Total</b>	<b>4,590,006</b>	<b>4,586,587</b>
<b>Other assets</b>		
Within 1 year	20,516	14,224
Between 1 and 5 years	23,642	22,848
<b>Total</b>	<b>44,158</b>	<b>37,072</b>

At 31 October 2018 the charity had annual commitments under non-cancellable operating leases as follows:

<b>Charity</b>		
<b>Land and buildings</b>		
Within 1 year	75,000	71,250
Between 1 and 5 years	300,000	300,000
After more than 5 years	431,250	656,250
<b>Total</b>	<b>806,250</b>	<b>1,027,500</b>

#### 26. Related party transactions

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



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**FAIR WAYS FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**

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**27. Principal subsidiaries**

**Fairways Care (UK) Limited**

Subsidiary name	Fairways Care (UK) Limited
Company registration number	04460658
Basis of control	By virtue of shareholding
Equity shareholding %	100%
Total assets as at 31 October 2018	£ 2,453,494
Total liabilities as at 31 October 2018	£ (1,697,310)
Total equity as at 31 October 2018	£ 756,184
Turnover for the year ended 31 October 2018	£ 12,593,112
Expenditure for the year ended 31 October 2018	£ (11,277,004)
Profit for the year ended 31 October 2018	£ 1,316,108