

Company Registration No. SC135696 (Scotland)
Charity Registration No SC002280 (Scotland)

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008



FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

Directors	D Boyd D Blair M Duncan G Duncan S Cruickshank J Bryce C Barclay Mrs C Turnbull L J McEwan Dr J Russell P Merchant B Montgomery
Secretary	M Hurcombe
Company number	SC135696
Registered office	95 Causewayside EDINBURGH EH9 1QG
Auditors	Duncan Young and Co 29 Manor Place EDINBURGH EH3 7DX
Business address	95 Causewayside EDINBURGH EH9 1QG
Bankers	Bank of Scotland 32a Chambers Street EDINBURGH EH1 1JB
Solicitors	DMD Law LLP 22 St John's Road EDINBURGH EH12 6NZ

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Directors' report	1 5
Independent auditors' report	6 7
Statement of Financial Activities (Including Income and Expenditure Account)	8
Balance sheet	9
Notes to the financial statements	10 23

FAIR LIMITED (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors who for the purposes of Charity regulation are also trustees, present their report and financial statements of the company for the year ended 31 March 2008

Structure, objects and principal activities

The company is constituted as a registered Scottish Charity and as a company incorporated under the Companies Act and is Limited by Guarantee. Its activities are governed by a Memorandum and Articles of Association and there have been no changes to these documents during the year.

The charity's object and its principal activity continues to be to assist people with learning disabilities in the community.

The company is organised so that the directors meet regularly to manage its affairs. There are 7 staff who manage the day to day administration of the company. They are assisted by 7 volunteers who work on the production and mailing of newsletters and information booklets.

Directors, key personnel, management and governance

The names of the present directors are noted below:

L McEwan (Convenor)
J Russell (Vice Convenor)
C Barclay (Treasurer)
D Blair
M Duncan
G Duncan
S Cruickshank
J Bryce
C Turnbull
P Merchant
D Boyd
B Montgomery

Directors are appointed by the members of the company in accordance with the Articles of Association. Any member who wishes to be considered for appointment as a director must apply in writing to the company. At an Annual General Meeting the company may, by ordinary resolution, appoint a director. The directors may also, at any time, appoint any member to fill a vacancy or as an additional director.

At the first meeting of the Board following the Annual General Meeting the Directors elect the Convenor, Vice Convenors and Treasurer.

Directors' induction and training

Members who wish to become a director attend one or two meetings of the Board, prior to appointment. They are supplied with information about the company, including copies of the Memorandum and Articles of Association, previous year's audited accounts, current year's budget and current business plan. From time to time training days are organised for the entire board.

Management

The Board of Directors administer the company, meeting every two months to make strategic decisions. A chief executive, currently Mrs Margaret Hurcombe, is appointed by the directors to manage the day to day operation of the company. Mrs Hurcombe is currently on secondment for two days a week to another charity, Art in Healthcare, who reimburse FAIR Ltd for her services (note 3).

FAIR LIMITED (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The company also has an internal structure which is headed by the Management Team. They are responsible for the day to day operation and have regular meetings.

Management Team

Margaret Hurcombe, Chief Executive

Gill Reid, Deputy Chief Executive

Graham Bell, Finance Officer

Risk Assessment

In accordance with SORP 2005, the directors operate an ongoing review of the major financial and operational risks to which the company is exposed. A separate Risk Management Group has been established, but the whole organisation has been engaged in risk management for much of 2007/2008 because of the changes in the climate that the charity has been operating in.

Throughout the year the charity has been very sensitive to cashflow. In order to minimise risks in this area, the Finance Officer has maintained good cashflow projections which have been monitored by the Management Team and the Convenor and reported to the Board at every meeting.

Achievements, Performance and Future plans

FAIR Limited was set up to promote the welfare of people with learning disabilities. It achieves this through the provision of advice and information for people with learning disabilities and their carers. It aims to improve the conditions of life for people with learning disabilities and their families and carers.

In our 2007 report we said

The charity's core activity will continue to be the provision of an information service for people with learning disabilities in Edinburgh.

Our successful work with ELCAP continues and we are working with them to secure funding that would enable us to develop a generic service for East Lothian.

We are also actively seeking funding for our work with young people with learning disabilities and for our programme of health publications.

This is how we performed

Core Activity

The charity's core activity continued to be the provision of an information service for people with learning disabilities in Edinburgh.

Our outstanding achievement is that we have established a dedicated information and advice service for people with learning disabilities and continued to provide that service for 17 years.

There is a well recognised, well documented need for FAIR's service. Services for people with a learning disability (health, welfare benefits, care and support, leisure etc.) come from a range of different agencies and access to them is complicated. People need expert advice to find out about and compare the options that may be available.

In 2007/08 FAIR dealt with almost 1,000 enquiries, of which just under half were about welfare benefits. We carried out 469 benefit checks and helped people make 141 claims for Disability Living Allowance, 99 claims for Incapacity Benefit and 120 claims for Tax Credits. We had to take 22 of the claims to tribunal and won 20 of them. We also made a number of referrals to Social Work, requesting Community Care Assessments, Carers Assessments or other services.

FAIR LIMITED (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

Core Activity (continued)

The largest group of users of our services were family carers (472), but the next largest group was people with learning disabilities themselves, who are living independently in their own homes (167). Other enquirers included staff working in health, social work, education and the voluntary sector.

We are aware that many of the adults with learning disabilities who use our service do not use services provided by other organisations. They rely on FAIR to enable them to live as independently as possible, but also to help them get access to services if the need arises.

Lastly, the charity was extremely proud to be shortlisted by Enable for their employer of the year award in February 2008.

East Lothian

We continue to work with ELCAP, who provide support services for adults and children with learning disabilities. We offer welfare benefits advice to their clients, most of who live in East Lothian. We are aware of a greater demand for our services in East Lothian, but the changing financial position of local authorities makes it difficult for East Lothian Council to commission us to provide a service in their area.

Work with Young People

The charity has always publicised its service in special schools which we have found to be an effective way of reaching young people and their parents. Lack of resources prevents us from working more proactively to reach young people with learning disabilities who attend mainstream schools. We ran a pilot project that enabled us to make contact with learning support staff in 12 (of 23) mainstream secondary schools in Edinburgh. We now receive more referrals from mainstream schools, but there is still much work to be done and we have made it a target for future development. We have already secured some funding from The Follett Trust for this work in 2008/09 and it is the focus of a major funding application to the Big Lottery Fund.

Volunteers

The company makes significant use of volunteers to distribute a regular newsletter. Some 1400 copies are mailed out to members and others every second month by a small group of volunteers, all of who have learning disabilities. Each volunteer works for two hours a week. The charity also has one volunteer who carries out administrative tasks for two hours a week and several volunteers who record the newsletter and health leaflets onto audio CD's.

Financial review

The Statement of Financial Activities shows net outgoing resources for the year of £40,950 (2007 outgoing resources of £23,176) and the Balance Sheet reflects total reserves of £22,438. Of this sum, £5,950 relates to restricted fund activity and £16,488 relates to unrestricted fund activity.

During the year we devoted considerable resources to renegotiating our three year Service Level Agreement with City of Edinburgh Council and securing funding from other sources for development work.

With regard to the City of Edinburgh Council, whilst we did not receive the amount we applied for, in March 2008 we were awarded £70,200 a year. Funding from the City Council has remained at the same level since 2005 and, as the National Audit Office has pointed out, failure to cover overheads may lead to organisations shrinking or collapsing.

In terms of development work we have secured funding from HM Revenue and Customs Grant in Aid Funding Programme for 2007/08 and from the Follett Trust for work with young people. Enable Scotland have secured funding to provide employment support for people with learning disabilities and have contracted FAIR to provide welfare rights advice for their clients.

FAIR LIMITED (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

Financial review (continued)

Overall, the charity's incoming resources in 2007/08 were half that of the previous year. This is partly because we had been particularly successful in securing funding for fixed term projects for the period 2004/2007 and partly a reflection of the challenging environment that small charities are currently operating in. The Directors continue to monitor cashflow and the financial climate very closely.

Related Parties

FAIR Ltd owns a trading company, FAIR Multimedia and has continuing partnership agreements with Enable Scotland and Elcap Ltd for the delivery of two specific projects, in the pursuit of its charitable objectives.

As noted above the company owns a separate subsidiary company, FAIR Multimedia Limited. Its principal activity is the production and sale of booklets and CD ROMs, but it also provides consultancy about making information and information services accessible to people with learning disabilities.

Because of changes to the rules governing charity trading, FAIR has decided to merge the activities of FAIR Multimedia back into the parent charity.

Reserves Policy

The charity continues to build up a fund which will cover up to three months running costs in the event of a significant drop in income. At present we estimate that we need a fund of £45,000, which would enable us to wind up the company and meet all commitments if that became necessary. We currently hold £8,107, which is designated as part of total unrestricted funds of £16,488. The directors will continue to strive to find ways of meeting the £45,000 target in the year ahead.

Principal funding sources

- ~ City of Edinburgh Council, as a contribution towards the cost of the provision of an information service for people with learning disabilities in Edinburgh
- ~ HM Revenues and Customs Grant in Aid Funding Programme for 2007/08 for the provision of advice about HMRC products to people with learning disabilities
- ~ Charging other organisation for the provision of specialist advice in the area of welfare benefits advice or related activity
- ~ NHS Lothian for the provision of support to carry out a review of services for people with learning disabilities

The present level of funding is adequate to support the company's activities and the directors consider the financial position of the company to be satisfactory.

Future plans

The charity's core activity will continue to be the provision of an information service for people with learning disabilities in Edinburgh. The exigencies of our financial position do impose certain restraints, however, and the challenge for the coming year is to consider how best to use the resources available to provide the service.

Having taken the work of FAIR Multimedia back into FAIR, we aim to continue to develop new health materials for people with learning disabilities. Health Scotland will continue to work with us by commissioning new materials for free distribution to Health Boards in Scotland and sale elsewhere. They have commissioned a new series of four leaflets about healthy eating, which will be published over the next two years. We are also keen to explore how best to exploit new technology to develop materials in new formats.

We will also continue to take opportunities to fill known gaps in the provision of advice and information for people with learning disabilities and their families. We have made a major application to the Big Lottery Fund for work with young people and we will continue discussions with East Lothian Council about how to extend our services into their area. Proposed changes to the welfare benefits system have major implications for our client group and we will be seeking ways of providing them with the extra advice and information that they will need.

FAIR LIMITED (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Duncan Young and Co be reappointed as auditors of the company will be put to the Annual General Meeting

Statement of Disclosure to Auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Statement of Directors Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small Companies.

Approval

This report was approved by the Board of directors on 21 August 2008 and signed on its behalf



M Hurcombe
Secretary

FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FAIR LIMITED

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005

We have audited the financial statements of Fair Limited (A company limited by guarantee) for the year ended 31 March 2008 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Balance Sheet and the related notes set out on pages 8 to 23. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with section 235 of the Companies Act 1985 and to the charity's directors and trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's directors and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the directors for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors / Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Trustees' and Directors' Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT(CONTINUED)
TO THE DIRECTORS AND MEMBERS OF FAIR LIMITED

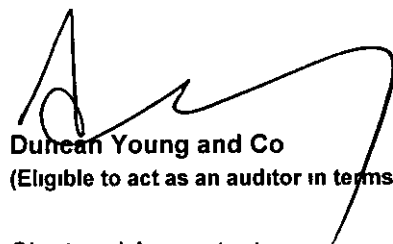
Opinion

In our opinion

the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

the financial statements have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 1985, and

the information given in the Trustees' Report is consistent with the financial statements



Duncan Young and Co
(Eligible to act as an auditor in terms of section 25 of the Companies Act 1989)

Chartered Accountants
Registered Auditor

21 August 2008

29 Manor Place
EDINBURGH
EH3 7DX

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Restricted	Unrestricted	Total 31 March 2008	Total 31 December 2007
		£	£	£	£
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income					
Donations			258	258	1,268
Recharge of shared facilities			2,368	2,368	1,015
Gift Aid Donation Fair Multimedia Limited			11,924	11,924	4,474
			<u>14,550</u>	<u>14,550</u>	<u>6,757</u>
Investment income					
Bank interest	4		844	844	2,984
Incoming resources from Charitable Activity					
Grants	2	71,894		71,894	208,262
Capital grants					2,963
Specialist charitable advice	3		25,692	25,692	13,670
			<u>25,692</u>	<u>97,586</u>	<u>224,895</u>
Total incoming resources		<u>71,894</u>	<u>41,086</u>	<u>112,980</u>	<u>234,636</u>
Resources Expended					
Charitable expenditure					
Charitable costs	5	128,442	17,371	145,813	248,387
Governance costs	6	7,387	730	8,117	9,425
			<u>135,829</u>	<u>153,930</u>	<u>257,812</u>
Total resources expended		<u>135,829</u>	<u>18,101</u>	<u>153,930</u>	<u>257,812</u>
Net incoming/(outgoing) resources before transfers		(63,935)	22,985	(40,950)	(23,176)
Gross transfers between funds		17,550	(17,550)		
Net movement in funds		<u>(46,385)</u>	<u>5,435</u>	<u>(40,950)</u>	
Reconciliation of funds					
Total funds brought forward		<u>52,335</u>	<u>11,053</u>	<u>63,388</u>	<u>86,564</u>
Total funds carried forward	16	<u>5,950</u>	<u>16,488</u>	<u>22,438</u>	<u>63,388</u>

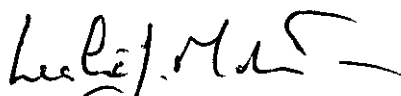
FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	11		703		2,031
Investments	12		1		1
			<u>704</u>		<u>2,032</u>
Current assets					
Debtors	13	19,587		46,833	
Cash at bank and in hand		26,162		22,329	
		<u>45,749</u>		<u>69,162</u>	
Creditors, amounts falling due within one year	14	<u>(24,015)</u>		<u>(7,806)</u>	
Net current assets			<u>21,734</u>		<u>61,356</u>
Total assets less current liabilities			<u><u>22,438</u></u>		<u><u>63,388</u></u>
The Funds of the Charity					
Restricted funds	16		5,950		52,335
Unrestricted funds	16		16,488		11,053
			<u>22,438</u>		<u>63,388</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved and authorised for issue by the Board on 21 August 2008


L J McEwan
Director

C Barclay
Director



FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Companies Act 1985. These financial statements also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it qualifies as a small company.

The financial statements are prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The nature of the business of the Company is that there can be considerable unpredictable variations in the timing of cash inflows. Against this background the Directors have in recent times taken the following steps to minimise the risks associated with such eventualities and the following is now in place:

1. Financial projections including budgets and cash flow projections have been prepared based on the funding arrangements in place.

2. Day to day operations are closely monitored by the management team and, from a financial perspective, budgeted and actual results are closely monitored on a monthly basis. There has been no deterioration in cash flow since the financial year end nor is one planned for or predicted.

3. Discussions are ongoing with funders to renegotiate funding and Service Level Agreements for introduction in the financial year 2007/08 and beyond.

On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis.

1.2 Compliance with and departure from accounting standards

The financial statements present information about the Company as an individual undertaking and not about its group. The Company and its subsidiary undertaking comprise a small sized group. The Company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.3 Fund Structure

The charity has unrestricted and restricted funds, details of which are set out at note 16.

Unrestricted funds are those funds which are expendable at the discretion of the directors in furtherance of the Charity's objectives. Where part of an unrestricted fund is designated for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the directors' discretion to apply the fund.

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within the wider objects of the charity. Restricted funds may be restricted income funds which are expendable at the discretion of the directors in furtherance of some particular aspect of the object of the charity, or they may be capital funds where assets are required to be invested or retained for actual use, rather than expended.

FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

1 4 Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability

Income represents invoices issued, grants and other monies received in the course of the Charity's ordinary activities during the year

Income is received predominantly from core funders by way of grants and is recognised in the year to which they relate

There are circumstances where grant income is received by funders to cover expenditure to be incurred in a future accounting period. In such circumstances a proportion of the grant income will be deferred to the future accounting period in keeping with the terms of the grant award

1 5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. These are allocated as between Charitable expenditure and Governance costs

Charitable expenditure is incurred in direct pursuance of the Charity's principal objects and as set out in the Directors Report. Direct charitable costs comprises costs incurred in inducing organisations to contribute financially to the charity's work and income received in pursuance of these areas is shown within incoming resources

Governance costs comprise all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include the expenses of Director and Trustee meetings, the statutory audit and legal and professional fees

1 6 Allocation of overheads and support costs

Overhead and support costs have been allocated first between charitable activity and governance

Overheads and support costs relating to charitable activities have been apportioned based on staff time involved in direct charitable costs for each charitable activity. The allocation of overhead and support costs is analysed at note 7

1.7 Tangible fixed assets for use by the Charity and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Property improvements	10% on cost
Office equipment	25% on cost
Computer equipment	33 1/3% to 100% on cost

1 8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

1 9 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet. The scheme is part of Lothian Pension Fund, which as a body is responsible for all matters relating to its administration.

1.10 VAT

The Charity is not registered for VAT and therefore all expenditure is shown inclusive of VAT.

2 Income

	Restricted	Unrestricted	2008 £	2007 £
Edinburgh Council Local Authority Funding	52,650		52,650	103,485
The Sir Jules Thorn Charitable Trust	500		500	
The Kessler Foundation	750		750	
H M Revenue & Customs Grant in Aid Funding	15,440		15,440	
The Frank Buttle Trust	300		300	300
The Salvation Army	100		100	
The Merchant Company	285		285	
Edinburgh Development Group	1,869		1,869	
Big Lottery Fund Community Fund Contacts				57,788
Big Lottery Fund Lothian Health NOF				17,889
Lothian NHS Board review				20,000
John Watson Trust				500
Agnes H Hunter Trust				4,300
Princes Trust				4,000
	<u>71,894</u>	<u></u>	<u>71,894</u>	<u>208,262</u>

All grants received for the specific purposes of meeting the the principal objects of the Charity are treated as part of Restricted Funds.

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

3 Specialist charitable advice unrestricted income	2008	2007
	£	£
Fees from provision of specialist advice concerning benefits		
Art in Healthcare	14,321	6,782
University of Glasgow		50
Elcap	4,804	3,360
Lothian Health	4,766	3,116
Enable		362
NHS Lothian	1,801	
	<u>25,692</u>	<u>13,670</u>

During the year FAIR generated income totalling £25,692 by charging other organisations for the provision of specialist advice in the area of benefits and related activity

4 Investment income unrestricted income	2008	2007
	£	£
Bank interest received	<u>844</u>	<u>2,984</u>

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

5 Charitable costs

	Direct Charitable	Share of Support costs (note 7)	2008 £	2007 £
Salaries, NI and pension		132,016	132,016	165,834
Recharge of wages to Fair Multimedia Ltd		(18,031)	(18,031)	(15,362)
Conference and training expenses	275		275	110
Telephone and internet charges		4,494	4,494	3,358
Travelling expenses		1,311	1,311	1,881
Volunteer expenses		193	193	250
Publications and promotional literature		2,525	2,525	1,066
Printing and stationery		6,798	6,798	5,505
Postage		2,283	2,283	3,410
Heating and lighting		1,514	1,514	1,731
Cleaning		141	141	38
Insurance		520	520	567
Rent and rates		8,316	8,316	8,316
Repairs and computer expenses				2,231
Sundry expenses	399		399	92
Recharge of costs to Fair Multimedia Ltd		(543)	(543)	(410)
Depreciation plant and equipment	62		62	62
Depreciation computer equipment	1,520		1,520	5,083
Grants awarded and recharge of shared grant to Enable	2,005		2,005	64,625
Loss on disposal of tangible fixed assets	15		15	
	<u>4,276</u>	<u>141,537</u>	<u>145,813</u>	<u>248,387</u>

The allocation of costs between funds is as follows

	Restricted £	Unrestricted £	Total £
Direct charitable costs	4,276		4,276
Share of salaries and other support costs	124,166	17,371	141,537
	<u>128,442</u>	<u>17,371</u>	<u>145,813</u>

Charitable costs are allocated between restricted and unrestricted funds linked to and in proportion to the allocation of charitable expenditure

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

6 Governance costs	2008	2007
	£	£
Salaries, NI and pension	4,000	4,000
Recharge of wages to Fair Multimedia Ltd	(182)	(155)
Heating and lighting	168	192
Cleaning	16	4
Insurance	58	63
Rent and rates	924	924
Telephone and internet charges	236	177
Travelling expenses	69	99
Volunteer expenses	10	13
Publications and promotional literature	133	56
Printing and stationery	317	290
Recharge of costs to Fair Multimedia Ltd	(60)	(46)
Postage	119	179
Bank charges	30	1
Payroll processing & other professional fees	516	1,983
Auditors remuneration	1,763	1,645
	<u>8,117</u>	<u>9,425</u>

The allocation of costs between funds is as follows

	Restricted	Unrestricted	Total
	£	£	£
Governance costs	<u>7,387</u>	<u>730</u>	<u>8,117</u>

Governance costs are allocated between restricted and unrestricted funds linked to and in proportion to the allocation of charitable expenditure

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

7 Allocation of support costs and overheads

The breakdown of support costs and how these were allocated between governance and charitable activities is shown in the table below

Cost Type	Total Allocated £	Governance £	Charitable Activities £	Basis of Apportionment
Salaries, NI and pension	136,016	4,000	132,016	Staff time
Recharge of wages to Fair Multimedia Ltd	(18,213)	(182)	(18,031)	Staff time
Telephone and internet charges	4,730	236	4,494	Staff time
Travelling expenses	1,380	69	1,311	Staff time
Volunteer expenses	203	10	193	Staff time
Publications and promotional literature	2,658	133	2,525	Staff time
Printing and stationery	7,115	317	6,798	Staff time
Postage	2,402	119	2,283	Staff time
Heating and lighting	1,682	168	1,514	Actual cost
Cleaning	157	16	141	Actual cost
Insurance	578	58	520	Actual cost
Rent and rates	9,240	924	8,316	Actual cost
Recharge of costs to Fair Multimedia Ltd	(603)	(60)	(543)	Actual cost
Bank charges	30	30		Actual cost
	<u>147,375</u>	<u>5,838</u>	<u>141,537</u>	

8 Deficit for the year

	2008 £	2007 £
Operating deficit is stated after charging		
Depreciation of tangible assets	1,582	5,145
Plant and machinery		200
Auditors' remuneration	1,763	1,645
	<u>1,763</u>	<u>1,645</u>

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

9 Staff costs

No remuneration was paid to trustees in the year, nor were any expenses reimbursed to them. The staff costs of the remaining staff were

	2008	2007
	£	£
Wages and salaries	111,035	137,285
Social security costs	6,875	8,496
Employer's pension contributions	18,106	24,053
	<hr/>	<hr/>
	136,016	169,834
	<hr/>	<hr/>

The average weekly number of staff employed by the charity during the year was as follows

	2008	2007
Direct charitable work	6	6
Administrative	4	4
	<hr/>	<hr/>

No employees were in receipt of remuneration in excess of £60,000 per annum

10 Taxation

Being a registered charity, the company has no liability to corporation tax

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

11 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2007	30,269
Additions	469
Disposals	(646)
	<hr/>
At 31 March 2008	30,092
	<hr/>
Depreciation	
At 1 April 2007	28,238
On disposals	(431)
Charge for the year	1,582
	<hr/>
At 31 March 2008	29,389
	<hr/>
Net book value	
At 31 March 2008	703
	<hr/>
At 31 March 2007	2,031
	<hr/>

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

12 Fixed asset investments

**Shares in group undertakings and
participating interests**

Cost

At 1 April 2007 & at 31 March 2008

£

1

Holdings of more than 20%

Holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Fair Multimedia Limited	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the year
	2008	2008
	£	£
Fair Multimedia Limited	1	

Fair Limited hold 100% of the issued share capital in Fair Multimedia Limited. Two of the four directors of Fair Multimedia Limited are also Trustees of Fair Limited. Fair Multimedia Limited's principal activity is that of the production and sale of booklets and CD Roms and consultancy in the area of information activities. £18,815 of costs paid for by Fair Ltd on behalf of Fair Multimedia Ltd have been recharged to Fair Multimedia Ltd via the inter company loan account. These have been recharged at actual cost with no profit element included.

13 Debtors

	2008	2007
	£	£
Amounts owed by Fair Multimedia Ltd	19,577	5,831
Other debtors	10	41,002
	<u>19,587</u>	<u>46,833</u>

14 Creditors, amounts falling due within one year

	2008	2007
	£	£
Taxation and social security	1,759	1,914
Other creditors	22,256	5,892
	<u>24,015</u>	<u>7,806</u>

FAIR LIMITED

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

15 Pension costs

Fair Limited participates in the Lothian Pension Fund

Lothian Pension Fund is part of the Local Government Pension Scheme and is a multi employer defined benefit scheme. The scheme is funded.

The main benefits of the scheme are

A pension of one eightieth of the member's final pay for each year of scheme membership, plus

A lump sum of three eightieths of final pay for each year of scheme membership

Employees' contributions are fixed (mostly at the level of 6% of pensionable pay). Employers pay the balance of the cost of the scheme.

The Trustees commission an actuarial valuation of the Scheme every 3 years. The actuarial valuation reviews the financial position of the Fund against the Administering Authority's funding objectives and comments on the circumstances that may give rise to future volatility in the funding of the Fund or employers' contributions. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by using the Projected Unit Method with a one year control period to determine the cost of benefits accruing to the fund.

As at the balance sheet date there were 6 members of the Scheme employed by Fair Limited. Fair Limited continues to offer membership of the Scheme to its employees.

During the accounting period Fair Ltd paid contributions at a rate of 18.9%.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the scheme was performed as at 31 March 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,089 million.

The financial assumptions underlying the valuation at 31 March 2005 were as follows:

	% pa
Investment returns	6.2%
Salary increases	4.1%

The valuation revealed a deficit of assets compared with the value of the liabilities of £358 million (equivalent to a past service funding level of 85%).

The employers on going future service contribution rate at 31 March 2005 was assessed at 14.5% of pensionable salaries with a past service adjustment based on a 20 year spread of 4.5%, giving a Total Common Contribution Rate of 19%.

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

Pension costs (continued)

The Government's recent legislation relating to employers' obligations on the voluntary termination of their pension schemes, known as Debt on Employer regulations, does not apply to the Local Government Pension Scheme. The Government's new safety net system from April 2005, the Pension Protection Fund, also does not apply to the Local Government Pension Scheme. We assume that all employers will be able to fulfil their obligations to pay contributions certified in this report. To the extent that any employer defaults on its contributions whilst the Fund is in deficit, another employer or employers in the Fund will bear any shortfall.

Financial Update

According to a Financial Update from Lothian Pension Fund covering the financial year to 31 March 2007, not yet covered by an Actuarial Report, the Fund outperformed against its benchmark, largely due to good returns from the currency managers. The Fund returned at a rate of 7.8% over the year. This is higher than the rate of return assumed in the actuarial valuation of 6.2%. Lothian Pension Fund estimate that the funding level as at 30 June 2007 to be 103%, using the same method and assumptions, compared with 85% as at the 31 March 2005 valuation.

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

16 Funds of the Charity

	Restricted	Unrestricted	Total	Total
	£	£	2008	2007
			£	£
Balance at 1 April 2007	52,335	5,435	63,388	86,564
Net funds for the year	(46,385)		(40,950)	(23,176)
	<u>(46,385)</u>	<u></u>	<u>(40,950)</u>	<u>63,388</u>

A sum of £8,107 has been designated by the charity from unrestricted funds as the start of a policy designed to create a fund equivalent to three months operating costs. These monies are held in a separate bank account.

Restricted funds can be summarised as follows:

	Balance at	Income	Expenditure	Transfers	Balance at
	1 April 2007				31 March 2008
Edinburgh City Council (SLDG)	1,200				17,550
Edinburgh City Council (Core funding)	17,550	52,650	(87,750)	17,550	
Lothian Health (NOF)	4,785		(4,785)		
Lothian Health (Board review)	20,000		(20,000)		300
Frank Buttle Trust (BBC Children in Need)		300	(300)		
John Watson Trust (Children in School Project)	500		(500)		
Agnes H Hunter Trust (Children in School Project)	4,300		(4,300)		4,000
Princes Trust (Children in School Project)	4,000				750
The Kessler Foundation		750			750
The Salvation Army		100	(100)		
The Merchant Company		285	(285)		
Edinburgh Development Group		1,869	(1,869)		
The Sir Jules Thorn Charitable Trust		500	(500)		
H M Revenue & Customs Grant Aid in Funding		15,440	(15,440)		
	<u>51,135</u>	<u>71,894</u>	<u>(135,829)</u>	<u>17,550</u>	

FAIR LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

16 Funds of the Charity (continued)

Description of restricted fund balances at 31 March 2008

Edinburgh City Council (SLDG) as part of ongoing development on the project for the South Local Development Group to refine Fair Ltd's website

Edinburgh City Council (Core funding) payment received in advance in line with the three year Service Level Agreement negotiated and due to cease at the end of the 2007 year

Lothian Health New Opportunities Funding project to publish a series of six cancer booklets Payments are made on a regular basis and work is expected to be completed in the current financial year

Lothian Health payment received for production of materials and services in connection with Lothian NHS Board's review of services for people with learning disabilities

Children in School Project grants received from John Watson Trust, Agnes H Hunter Trust and Princes Trust to extend the information and advice project for children with learning disabilities to the remaining 11 secondary schools and 30 primary schools in Edinburgh

17 Analysis of the fund balances between the net assets

	Restricted £	Unrestricted £	Total £
Fixed assets		704	704
Net current assets/(liabilities)	5,950	15,784	21,734
	<u>5,950</u>	<u>16,488</u>	<u>22,438</u>

18 Financial commitments

At 31 March 2008 the charity had annual commitments under non cancellable operating leases as follows

	2008 £	2007 £
Expiry date		
Within one year	9,240	9,240
Between two and five years	18,480	27,720
	<u>27,720</u>	<u>36,960</u>