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FAIR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Charity Registration No: SC002280

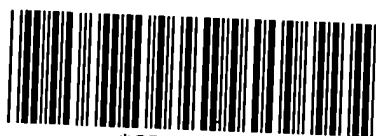
Company Registration No: SC135696 (Scotland)

**COMPANIES HOUSE
EDINBURGH**

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FAIR LIMITED

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FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the Year Ended 31 March 2018

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 March 2018 which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS102) (effective 1 January 2015).

Objectives and activities

The charity's object and its principal activity continues to be to promote the welfare of people with learning disabilities in the community. FAIR achieves this through the provision of advice and information for people with learning disabilities and their carers, aiming to improve their conditions of life.

FAIR achieves this through the following activities:

- Provision of advice and information for people with learning disabilities and their carers; this includes a one to one accessible welfare rights and financial capability service.
- An Easy Read service to make information accessible.
- Distributing an Easy Read Newsletter every 2 months.

FAIR continues to work in partnership with The City of Edinburgh Council and key stakeholders and funders to deliver an accessible and open information and advice service. We deliver this by keeping people with learning disabilities and their carers informed with our newsletter and offering one to one advice to clients.

Through the work we deliver, FAIR fits with The City of Edinburgh Council Priorities:

- Delivering for our children and families – improving lives and futures
- Delivering a healthier city for all ages – strong and vibrant communities
- Delivering a Council that works for all – more empowered, transparent, and improved public services

And FAIR works towards The Scottish Government National Outcomes:

- We have tackled the significant inequalities in Scottish society.
- We have improved the life chances for children, young people and families at risk.
- We live longer, healthier lives.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Review of 2017/18

FAIR receive grant funding from The City of Edinburgh Council. This funding is crucial to the core mechanisms of the organisation, enables FAIR to employ Advice workers and apply for new and additional funding opportunities to deliver new services to benefit the clients we work with.

Additional Funding and projects in year 2017/18:

- The Big Lottery Fund funded two Welfare Rights Workers.
- Comic Relief funded one Welfare Rights Worker.

FAIR also had a partnership agreement with Into Work for the delivery of a specific project in East Lothian, in the pursuit of its charitable objectives.

Volunteers

The charity makes significant use of volunteers, all of whom have learning disabilities, to distribute a regular newsletter, assist with administrative tasks and testing Easy Read work.

The external environment in which FAIR operates

Welfare reform is continuing to disproportionately affect people with learning disabilities and their carers:

- Claimants have to meet increased conditionality and attend medical assessments and work focused interviews.
- Claimants of Disability Living Allowance will all have to move over to the new Personal Independence Payment.
- Restrictions on Housing Benefit.
- The benefit cap and two child limit.
- Introduction and roll out of Universal Credit which is digital by default.
- Administration problems and delays in benefit decisions and payments.

There is also the introduction of the new Social Security Scotland agency which will administer benefits devolved to the Scottish Government. The Government want social security to be a right and increase advocacy and advice support. However we do not know what this will look like in practice.

Long term sustainable funding continues to be challenging.

The integration of health and social care and the impact it will have on people we work with remains to be seen.

The wider impact to Edinburgh and Scotland of Brexit remains unclear.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Partnership Working

FAIR works in partnership with a variety of organisations within Edinburgh. Through close work and networking we aim to ensure that we are providing the service required by our clients but do not duplicate those already provided in the city.

We work closely with key partners in The City of Edinburgh Council (Social Work, Local Area Coordination and Advice), NHS Lothian (Community Learning Disability Team, GPs) and other voluntary organisations.

FAIR's Manager is the Chair of EVOC's Disability Forum. This then involves the FAIR Manager in the Disability Reference Group which is a direct link to the Health and Social Care's Integrated Joint Board.

The FAIR Manager attends Edinburgh's Third Sector Strategy Group which links third sector Chief Executives to work with key statutory partners in policy areas.

The FAIR Manager is involved in the design and development of the Edinburgh Plan Advisory Group in partnership with The City of Edinburgh Council. This group works with people with a learning disability to encourage coproduction and consultation on discussions and plans for people with a learning disability.

FAIR staff attend the Edinburgh Welfare Rights Forum coordinated by Edinburgh Council. This enables FAIR to access training opportunities, share important information and have an understanding of the Advice organisations in the city.

Achievements and Performance

Information and Advice

FAIR has continued to use a database called Advice Pro. This system allows us to capture the advice we provide and how complex and intense it can be. The system is secure and enables us to reduce the amount of paper used.

In 2017/18 FAIR worked on 1,863 cases with 1,229 new cases opened:

- 74% of new cases were in relation to welfare rights and benefits and include 300 cases relating to disability benefits, 245 relating to Employment and Support Allowance and 44 cases relating to Carers Allowance.
- 88 new cases recorded support to challenge decisions which included mandatory reconsiderations. 33 clients were supported to appeal to an independent tribunal (61% were successful, 12% were refused, 6% withdrew their appeal and 22% are ongoing).
- FAIR generated backdated funds of over £144, 500 and ongoing benefit awards of over £1,822,000 for new cases opened.

Newsletter

FAIR has a bimonthly newsletter that is sent to over 1,200 members and others (this includes individuals with learning disabilities, carers, professionals etc.). We continue to work closely with key stakeholders such as The City of Edinburgh Council and NHS Lothian to get vital information to people that may not have other ways to access it.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Evaluation

FAIR carry out a service evaluation every year. This is done in the third quarter of the financial year. The Manager selects a random sample and each Advisor calls previous clients that they have not worked with. The results included:

Were clients happy with the service?

89% were very happy, 8% were happy and 3% were satisfied

Comments included "amazing", "totally"

Would they use the service again?

98% said they would

Were they happy with the member of staff?

89% were very happy, 8% were happy and 3% were satisfied

Comments included "could not have asked for better", "outstanding", "felt they were listening to me"

Were they happy with the place of meeting?

Of those surveyed 29 had visited the Fair office, 7 others had home visits.

55% were very happy and 45% were happy.

Did they benefit from the service?

100% said they benefited, including benefitting financially, suffering less stress, referred on, or other "gave emotional support"

Would they recommend the service?

100% said they would

Filling The Gaps

FAIR is working to mitigate the impact of welfare reform for the clients it works with and the demand for the service remains high. FAIR envisage that the impact of welfare reform will increase and cause more difficulties for its clients.

FAIR believe we should continue to work to reduce inequality in health for people with a learning disability. We will continue to maintain close links with NHS Lothian and pursue project opportunities that will benefit our client group.

FAIR will also look at what accessible information is required and continue to design and produce valued easy read health resources.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Financial review

Income for the year amounted to £207,348 (2017: £202,116), expenditure totalled £246,252 (2017: £248,223), which together with the actuarial loss of £87,000 (2017: £64,000) resulted in a net loss for the year of £125,904 (2017: £110,107).

Excluding the pension deficit of £190,000 which the trustees believe to be a liability which will not crystallise in the near future, the reserves available to the charity at the balance sheet date are:-

	£
Restricted funds	3,537
Unrestricted funds	<u>104,314</u>
Total	<u>107,851</u>

Reserves policy

At the year end the charity has total reserves of £82,149 in deficit (2017: £43,755 surplus) of which £85,686 deficit (2017: £36,795 surplus) are unrestricted funds including the actuarial loss of £190,000 (2017: £77,000), and £3,537 (2017: £6,960) are restricted.

It is the intention of the trustees to retain unrestricted reserves equivalent to 3 months running costs in order to provide a contingency against unforeseen circumstances such as a significant decrease in funding. This level of reserves would allow the charity to continue its current activities while consideration is given to ways in which additional funding may be raised. As noted above, excluding the pension deficit of £190,000, the charity had unrestricted reserves of £104,314 which is slightly above the policy but considered satisfactory by the trustees. The deficit on the Lothian Pension Fund will be addressed over a considerable period of time and does not impact on the charity's underlying activities.

Risk

In accordance with SORP 2015, the trustees operate an ongoing review of the major financial and operational risks to which the company is exposed. The whole organisation continues to be engaged in risk management because of the climate that the charity is operating in.

The principal risk the charity faces is an inability to maintain grant income at a level necessary to provide a viable service to its clients. The grant application process takes time and it is not always easy to manage this in a timely fashion to ensure smooth continuity of funding streams. However, major grants are payable for specific time frames, usually equal to, or in excess of, one year and the charity takes this into account when planning future grant applications. However there is no guarantee that any particular grant will be awarded and therefore the charity looks to making multiple grant applications wherever possible.

In order to minimise short term risks, the Finance Officer continues to maintain up to date cashflow projections, which are monitored by the Management Team and the Chair and reported to the Board at every meeting.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Future Plans

The charity is well respected by both users and funding organisations; it provides a specialist service that is not adequately covered by other organisations.

FAIR aim to continue to be a relevant and required service for people with learning disabilities and their carers. Our long term objective will remain to be to promote the welfare of people with learning disabilities in the community. However long term forecasting of income continues to be difficult and we are not always able to seize opportunities through lack of resources.

We are an innovative organisation that can change and adapt to the needs of our clients. Welfare reform will continue to disproportionately impact our clients. The introduction of Universal Credit will prove to be a struggle for our clients as many will require assistance to budget, open bank accounts and pay direct debits. We therefore incorporate financial capability into our advice service.

FAIR are committed to obtaining accreditation for the Scottish National Standards for Information and Advice Providers. FAIR have passed the Peer Review Stage and are in the process of applying for an audit by the Scottish Legal Aid Board.

Structure, governance and management

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. FAIR's Articles of Association were updated in 2017/2018 to bring them in line with the Companies Act 2006 and approved by an Extraordinary General Meeting held in September 2017.

Trustees are appointed by the members of the charity in accordance with the Articles of Association. Any member who wishes to be considered for appointment as a trustee must apply in writing to the company. At an Annual General Meeting the charity may, by ordinary resolution, appoint a trustee. The trustees may also, at any time, appoint a member to fill a vacancy or as an additional trustee. At the first meeting of the Board following the Annual General Meeting the trustees elect the Chair, Vice Chair and Treasurer.

Members who wish to become a trustee attend one or two meetings of the Board, prior to appointment. They are supplied with information about the charity, including copies of the Memorandum and Articles of Association, previous years' audited accounts and current year's budget.

None of the trustees have any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees of FAIR set the overall policy and strategic direction of the organisation. They meet every two months with the Chief Executive and Finance Officer also in attendance, with both these roles having no voting rights. There are 10 staff who manage the day to day administration of the company. They are assisted by volunteers who work on the production and mailing of newsletters and testing easy read materials.

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Management

A chief executive is in place, Ms. Kimberley Swan, who has been appointed by the trustees to manage the day to day operation of the company.

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.

The remuneration of key management personnel and other staff posts is set by the board of trustees. Evidence is gathered around the pay in equivalent roles in the voluntary and public sector to confirm that salaries are fixed at a competitive rate. The Scottish Joint Council salary scales are used to set actual pay and to advise on cost of living increases. These scales are local government salary scales and are used widely in the voluntary sector.

Succession planning

The Board and the Chief Executive have been succession planning for the future of FAIR. FAIR will advertise for Board members with a certain type of knowledge to enable the Board to have a strong skills base across all needed areas.

Related parties

FAIR Limited is the ultimate parent company of Fair Multimedia Limited a dormant subsidiary company.

Asset cover for funds

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

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

REFERENCE & ADMINISTRATIVE INFORMATION

Trustees:	Mrs C A Barclay Mr L J McEwan Ms J Bryce Mr G T Duncan Mrs I Dewar Dr D Willis Mr S Clarke Ms D Pelc Ms C Bickers Ms N Muir	(resigned 22 September 2017) (resigned 9 May 2017) (resigned 25 April 2018) (appointed 11 July 2017 & resigned 14 August 2018) (appointed 30 May 2017)
Secretary:	Ms K Swan	
Convenor:	Dr D Willis	
Vice Convenor:	Ms N Muir	
Treasurer:	Mrs C A Barclay	
Key Management Personnel:	Ms K Swan Mr G Bell	Chief Executive Finance Officer
Charity Name:	Fair Limited (also known as "Fair" or "Family Advice and Information Resource")	
Charity No:	SC002280	
Company No:	SC135696	
Principal Address and Registered Office:	95 Causewayside Edinburgh EH9 1QG	
Independent Examiner:	Kevin Cattnach CA Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AS	
Bankers:	Bank of Scotland PLC 300 Lawnmarket Edinburgh EH1 2PH Barclays Bank PLC Leicester LE87 2BB	
Solicitors:	DMD Law LLP 22 St John's Road Edinburgh EH12 6NZ	

FAIR LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) cont

For the Year Ended 31 March 2018

Statement of Trustees' responsibilities

The trustees, who are also the directors of FAIR Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

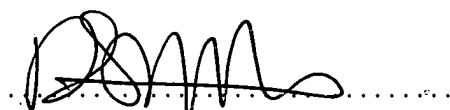
In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company 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 charity and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The trustees' report was approved by the Board of Trustees on 25 September 2018 and signed on their behalf by

A handwritten signature in black ink, appearing to be 'Dr D Willis', written over a dotted line.

Dr D Willis
Trustee

FAIR LIMITED

INDEPENDENT EXAMINER'S REPORT

For the Year Ended 31 March 2018

I report on the accounts for the year ended 31 March 2018 as set out on pages 11 to 29.

Respective responsibilities of the Trustees and the Independent Examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (as amended) does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations and sections 381, 382 and 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have not been met; or

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Cattnach C.A.

Whitelaw Wells
9 Ainslie Place
Edinburgh
EH3 6AS

Date: 25 September 2018

FAIR LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME & EXPENDITURE ACCOUNT)**

For the Year Ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
Donations and legacies	3	370	-	370	1,541
Charitable activities	4	12,089	194,197	206,286	199,960
Investments	6	692	-	692	615
		<hr/>	<hr/>	<hr/>	<hr/>
Total		13,151	194,197	207,348	202,116
		<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditure on:</u>					
Charitable activities	7	48,632	197,620	246,252	248,223
		<hr/>	<hr/>	<hr/>	<hr/>
Net expenditure for the year		(35,481)	(3,423)	(38,904)	(46,107)
Other recognised losses					
Actuarial loss on defined benefit pension schemes	17	(87,000)	-	(87,000)	(64,000)
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(122,481)	(3,423)	(125,904)	(110,107)
Reconciliation of funds					
Fund balances at 1 April 2017		36,795	6,960	43,755	158,862
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 1 April 2018		(85,686)	3,537	(82,149)	43,755
		<hr/>	<hr/>	<hr/>	<hr/>

There were no acquired or discontinued activities during the year. There were no recognised gains or losses other than the results for the year as set out above.

The notes on pages 14 to 29 form part of these financial statements

FAIR LIMITED

BALANCE SHEET

As at 31 March 2018

	Notes	£	2018 £	2017 £
Fixed assets				
Tangible assets	11		2,940	6,287
Investments	12		1	1
			<hr/>	<hr/>
			2,941	6,288
Current assets				
Stocks	14	6,773	6,952	
Debtors	15	3,085	6,642	
Cash at bank and in hand		105,801	112,870	
		<hr/>	<hr/>	
		115,659	126,464	
Creditors: amounts falling due within one year	16	(10,749)	(11,997)	
		<hr/>	<hr/>	
Net current assets			104,910	114,467
			<hr/>	<hr/>
Total assets less current liabilities			107,851	120,755
Defined benefit pension liability	17	(190,000)	(190,000)	(77,000)
		<hr/>	<hr/>	<hr/>
Net assets including pension liability			(82,149)	43,755
			<hr/>	<hr/>
Funds	18			
Restricted funds			3,537	6,960
Unrestricted funds - Operating fund			104,314	113,795
- Pension reserve			(190,000)	(77,000)
			<hr/>	<hr/>
			(82,149)	43,755
			<hr/>	<hr/>

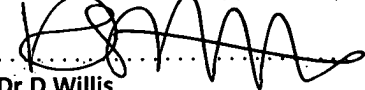
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for year to 31 March 2018. The members have not required the company to obtain an audit of financial statements for the year to 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006.
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for each financial year in accordance with the requirement of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the trustees on 25 September 2018


Dr D Willis
Trustee

The notes on pages 14 to 29 form part of these financial statements

FAIR LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	Notes	£	2018 £	£	2017 £
Cash flows used in operating activities					
Net cash used in operating activities	21		(7,761)		(42,164)
Cash flows from investing activities					
Purchase of tangible fixed assets		-		(1,913)	
Interest received		692		615	
		<hr/>		<hr/>	
Net cash provided by /(used in) investing activities			692		(1,298)
			<hr/>		<hr/>
Net increase in cash and cash equivalents			(7,069)		(43,462)
Cash and cash equivalents at beginning of year			112,870		156,332
			<hr/>		<hr/>
Cash and cash equivalents at end of year			105,801		112,870
			<hr/>		<hr/>
Analysis of cash and cash equivalents					
Cash in hand			165		105
Notice deposits			50,166		58,003
Fixed term deposits			55,470		54,762
			<hr/>		<hr/>
Total cash and cash equivalents			105,801		112,870
			<hr/>		<hr/>

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. Accounting Policies

Company Information

FAIR Limited is a private company limited by guarantee incorporated in Scotland. The registered office is 95 Causewayside, Edinburgh EH9 1QG.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the 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), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The company is a Public Benefit Entity as defined by FRS 102.

These financial statements contain information about Fair Limited as an individual charity. As described at note 12 there is one subsidiary undertaking but it was dormant throughout the year, with net assets of £1. These financial statements do not contain consolidated financial information, as the results of the subsidiary are not material.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

Although the balance sheet shows an insolvent position, the pension provision is a long-term liability and arrangements are in place to meet pension deficit payments. Additionally, the nature of the company's activities are such that there can be considerable unpredictable variation 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. The trustees have prepared projected cash flow information for the period ending 12 months from the date of their approval of these accounts 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 quarterly basis. There has been no deterioration in cashflow since the year end nor is one planned for or predicated.
3. Discussions are ongoing with core funders to renegotiate funding for future financial years.

On this basis, the trustees consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of funding by the company's funders.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

1. Accounting Policies (cont)

1.3 Charitable funds

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.

1.4 Income

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The charity receives grants in respect of providing quality advice and information to people with learning disabilities and their carers. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is recognised when the charity is entitled to it.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The charity is not registered for VAT and therefore all expenditure is shown inclusive of VAT.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

1. Accounting Policies (cont)

1.5 Expenditure (cont)

Charitable activities are incurred in direct pursuance of the charity's principal objects and comprises costs incurred in inducing organisations to contribute financially to the charity's work. Income received in pursuance of these areas is shown within incoming resources. Support costs include administrative costs and governance costs that are incurred directly in support of expenditure on the objects of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses, with assets costing in excess of £500 being capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:-

Office equipment-	25% on cost
Computer equipment -	33 ⅓ rd to 100% on cost

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

1. Accounting Policies (cont)

1.8 Financial instruments (cont)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The charity contributes to the Lothian Pension Fund ("The Scheme") at rates set by the Scheme Actuary and advised by the Scheme Administrator. The Scheme is a multi employer defined benefit pension scheme. Contributions to the scheme are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme, as described at Note 17.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

2. Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Defined Benefit Pension Scheme

The Lothian Pension Fund is accounted for as a defined benefit pension scheme using actuarial assumptions. These assumptions involve significant judgements and are based on the advice of the scheme's actuaries. Details of the assumptions are contained in note 17.

3. Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Donations and gifts	370	-	370	1,541
Legacies receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	370	-	370	1,541
	<hr/>	<hr/>	<hr/>	<hr/>

During the previous year unrestricted income from donations and legacies amounted to £1,541 and restricted income from donations and legacies amounted to £nil.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

4. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Services	12,089	-	12,089	17,781
Grants receivable	-	194,197	194,197	182,179
	<hr/>	<hr/>	<hr/>	<hr/>
	12,089	194,197	206,286	199,960
	<hr/>	<hr/>	<hr/>	<hr/>

During the previous year unrestricted income from charitable activities amounted to £17,781 and restricted income from charitable activities amounted to £182,179.

5. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
The City of Edinburgh Council	-	85,200	85,200	85,200
Big Lottery Fund Grant	-	75,887	75,887	79,588
Comic Relief	-	33,110	33,110	17,391
	<hr/>	<hr/>	<hr/>	<hr/>
	-	194,197	194,197	182,179
	<hr/>	<hr/>	<hr/>	<hr/>

During the previous year unrestricted income from grants receivable amounts to £nil and restricted income from grants receivable amounted to £182,179.

6. Investment income

	Unrestricted Funds £	Total 2018 £	Total 2017 £
Bank interest receivable	692	692	615
	<hr/>	<hr/>	<hr/>

During the previous year unrestricted investment income amounted to £615 and restricted investment income amounted to £nil.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

7. Expenditure

	Project Costs £	Governance £	Total 2018 £	Total 2017 £
<i>Direct costs</i>				
Staff costs (note 10)	207,136	-	207,136	192,531
Recruitment fees	-	-	-	460
Depreciation	3,347	-	3,347	2,940
Donations paid	-	-	-	80
Project costs	2,363	-	2,363	14,279
Publications and promotional expenses	512	-	512	1,575
Multimedia costs	8	-	8	585
Conferences and training expenses	624	-	624	1,866
<i>Support costs</i>				
Rent and insurance	10,442	-	10,442	10,421
Utilities	3,199	-	3,199	5,984
Telephone, internet & computer expenses	5,079	-	5,079	4,215
Printing, postage & stationery	3,861	-	3,861	6,083
Travelling expenses	1,572	-	1,572	1,472
Repairs, renewals & cleaning	482	-	482	791
Payroll fees	784	-	784	882
Volunteer expenses	138	-	138	180
Sundry expenses	645	-	645	853
Interest expense	2,000	-	2,000	-
<i>Governance costs</i>				
Independent examination fees	-	2,580	2,580	2,490
Legal & professional	-	1,480	1,480	536
	<hr/>	<hr/>	<hr/>	<hr/>
	242,192	4,060	246,252	248,223
	<hr/>	<hr/>	<hr/>	<hr/>
Analysis by fund				
Unrestricted funds			48,632	14,074
Restricted funds			197,620	234,149
			<hr/>	<hr/>
			246,252	248,223
			<hr/>	<hr/>

Further analysis of the charitable activities is not provided as the trustees believe the charity only has one main activity

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

8. Net expenditure

	2018	2017
	£	£
Net expenditure for the year is stated after charging:-		
Depreciation	3,347	2,940
Independent Examiner's remuneration:		
- Independent examination fee	2,490	2,400
- Other services	90	90
- Operating leases	10,745	10,745
	<u> </u>	<u> </u>

9. Trustees and key management personnel

None of the trustees (or any persons connected with them) received any remuneration or reimbursement of expenses from the charity during the current or previous years.

The total amount of employee benefits received by key management personnel is £44,512 (2017: £57,993).

10. Employees

Number of employees

The average monthly number of employees during the year was:

	2018	2017
	Number	Number
Direct charitable work	7	6
Administrative	3	3
	<u> </u>	<u> </u>
	10	9
	<u> </u>	<u> </u>

Employment costs

	2018	2017
	£	£
Wages & salaries	145,081	148,956
Social security costs	10,556	11,710
pension costs – normal contributions	27,499	23,865
Pension costs – FRS 102 adjustment	24,000	8,000
	<u> </u>	<u> </u>
	207,136	192,531
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was £60,000 or more.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

11. Tangible fixed assets	Office equipment £
Cost	
At 1 April 2017	23,849
Additions	-
Disposals	(2,762)
	<hr/>
At 31 March 2018	21,087
	<hr/>
Depreciation and impairment	
At 1 April 2017	17,562
Depreciation charged in the year	3,347
Eliminated in respect of disposals	(2,762)
	<hr/>
At 31 March 2018	18,147
	<hr/>
New book value	
At 31 March 2018	2,940
	<hr/> <hr/>
At 31 March 2017	6,287
	<hr/> <hr/>

12. Fixed asset investments

The sole subsidiary undertaking is Fair Multimedia Limited, a company registered in Scotland company number SC205194. The company was incorporated on 17 March 2000 and is dormant. The charity owns one £1 ordinary share, which represents the entire issued ordinary share capital of Fair Multimedia Limited. The aggregate capital and reserves of Fair Multimedia Limited at 31 March 2018 is £1 (2017: £1).

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

12. Fixed asset investments (cont)

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 April 2017 and 31 March 2018	1
Carrying amount	
At 31 March 2018	1
At 31 March 2017	1

13. Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	106,343	116,969
Equity instruments measured at cost less impairment	1	1
Carrying amount of financial liabilities		
Measured at amortised cost	7,314	9,191

14. Stocks

	2018 £	2017 £
Finished goods and goods for resale	6,773	6,952

15. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	440	3,981
Other debtors	102	118
Prepayments and accrued income	2,543	2,543
	3,085	6,642

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Other taxation and social security	3,434	2,806
Amounts due to subsidiary undertakings	1	1
Accruals and deferred income	3,650	6,163
Pension	3,663	3,027
	<hr/>	<hr/>
	10,748	11,997
	<hr/>	<hr/>

17. Pension and Other Post-Retirement Benefit Commitments

Final Salary Pension Scheme

The company is a participating employer in the Lothian Pension Fund ("The Scheme") that provides benefits based on final pensionable pay (i.e. defined benefit scheme). The assets of the Scheme are held separately from those of the company. Contributions are charged to the Income and Expenditure account so as to spread the cost of pensions over the employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

An actuarial valuation was carried out at 31 March 2018 by a qualified independent actuary for FRS 102 purposes.

The major assumptions used by the actuary were:

	31 March 2018	31 March 2017
	% per annum	% per annum
Pension Increase Rate	2.4	2.4
Salary Increases Rate	4.1	4.4
Discount Rate	2.7	2.6

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

17. Pension and Other Post-Retirement Benefit Commitments (cont)

The employer's share of the assets in the scheme and the expected rate of return were:

	Long Term Return at 31/03/18 (%p.a)	Value at 31/03/18 £(000)	Long Term Return at 31/03/17 (%p.a)	Value at 31/03/17 £(000)
Equities	(0.3)	654	22.6	621
Bonds	(0.3)	96	22.6	213
Property	(0.3)	61	22.6	65
Cash	(0.3)	61	22.6	28
Total market value of assets		872		927
Present value of scheme liabilities		(1,062)		(1,004)
Surplus/(Deficit) in the scheme		(190)		(77)

The most recent valuation showed that the market value of the scheme's assets was £872,000 (2017: £927,000) and that the actuarial value of these assets represented 82% (2017: 92%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the charity are 18% from 1 April 2015 and employee contributions vary depending on individual employees' salary rates.

Analysis of the amount charged to the income and expenditure account:

	2018 £	2017 £
Current service cost	53,000	33,000
	53,000	33,000

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

17. Pension and Other Post-Retirement Benefit Commitments (cont)

Analysis of amount charged to the income and expenditure account as interest:

	2018	2017
	£	£
Interest income on pension scheme assets	24,000	26,000
Interest on pension scheme liabilities	(26,000)	(26,000)
	<hr/>	<hr/>
Net interest charge	(2,000)	-
	<hr/>	<hr/>

Actuarial gain recognised in the Statement of Financial Activities:

	2018	2017
	£	£
Changes in demographic assumptions	(1,000)	-
Changes in financial assumptions	37,000	(207,000)
Other changes	(53,000)	-
Experience (losses) / gains arising on the scheme assets	(70,000)	143,000
	<hr/>	<hr/>

Actuarial (loss) recognised in the Statement of Financial Activities	(87,000)	(64,000)
	<hr/>	<hr/>

Movement during the year:

	Year to	Year to
	31/03/18	31/3/17
	£	£
(Deficit) at Beginning of Year	(77,000)	(5,000)
Movement in Year:		
Current Service Cost	(53,000)	(33,000)
Employer Contributions	29,000	25,000
Net interest charge	(2,000)	-
Actuarial (Loss)	(87,000)	(64,000)
	<hr/>	<hr/>
(Deficit) at end of year	(190,000)	(77,000)
	<hr/>	<hr/>

The actuarial valuation at 31 March 2018 showed a movement in the year from a deficit of £77,000 to a deficit of £190,000.

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

18. Movement in funds

	As at 1 April 2017 £	Income £	Expenditure £	Actuarial (loss) £	As at 31 March 2018 £
Restricted funds					
The City of Edinburgh Council	-	85,200	(85,200)	-	-
Big Lottery Fund Grant	7,463	75,887	(77,026)	-	6,324
Comic Relief	(503)	33,110	(35,394)	-	(2,787)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	6,960	194,197	(197,620)	-	3,537
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
Pension deficit fund	(77,000)	-	(26,000)	(87,000)	(190,000)
Operating fund	113,795	13,151	(22,632)	-	104,314
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	36,795	13,151	(48,632)	(87,000)	(85,686)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	43,755	207,348	(246,252)	(87,000)	(82,149)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The City of Edinburgh Council provides funding for day-to-day activities including the information and advice services.

The Big Lottery Fund Grant was received for a Welfare Reform Support Project to provide support to Edinburgh based people with learning disabilities, their families and carers.

The Comic Relief grant was received towards providing specialist support for people with learning disabilities. The carried forward deficit will be cleared next year on receipt of the next quarter's grant.

The pension deficit fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 17 to the accounts).

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

18. Movement in funds (cont)

	As at 1 April 2016 £	Income	Expenditure £	Actuarial (loss) £	As at 31 March 2017 £
Restricted funds					
The City of Edinburgh Council	-	85,200	(85,200)	-	-
Big Lottery Fund Grant	-	79,588	(72,125)	-	7,463
NHS Lothian Healthy Living	14,139	-	(14,139)	-	-
NHS Lothian Social Enterprise	21,000	-	(21,000)	-	-
Comic Relief	14,491	17,391	(32,385)	-	(503)
Agnes Hunter Trust	6,800	-	(6,800)	-	-
Forbes Charitable Foundation	2,500	-	(2,500)	-	-
Total restricted funds	58,930	182,179	(234,149)	-	6,960
Unrestricted funds					
Pension deficit fund	(5,000)	-	(8,000)	(64,000)	(77,000)
Operating fund	99,932	19,937	(6,074)	-	113,795
Total unrestricted funds	94,932	19,937	(14,074)	(64,000)	36,795
Total funds	153,862	202,116	(248,223)	(64,000)	43,755

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Fixed assets	2,940	-	2,940
Net current assets	101,374	3,537	104,911
Pension liability	(190,000)	-	(190,000)
	(85,686)	3,537	(82,149)
Fund balances at 31 March 2017 are represented by:-			
Fixed assets	6,288	-	6,288
Net current assets	107,507	6,960	114,467
Pension liability	(77,000)	-	(77,000)
	36,795	6,960	43,755

FAIR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont)

For the year ended 31 March 2018

20. Operating lease commitments

At the financial reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:-

	2018	2018	2017	2017
	Land & Buildings	Equipment	Land & Buildings	Equipment
	£	£	£	£
Within one year	9,240	1,197	9,240	1,505
Between two and five years	-	568	-	1,765
	<hr/>	<hr/>	<hr/>	<hr/>
	9,240	1,765	9,240	3,270
	<hr/>	<hr/>	<hr/>	<hr/>

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

	2018	2017
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(38,904)	(46,107)
Adjustments for:		
Investment income	(692)	(615)
Depreciation and impairment of tangible fixed assets	3,347	2,940
Actuarial (loss) on defined benefit pension schemes	(87,000)	(64,000)
Movements in working capital:		
Decrease in stocks	179	1,361
Decrease/(increase) in debtors	3,557	(2,030)
(Decrease) in creditors	(1,248)	(5,713)
Increase in defined benefit pension liability	113,000	72,000
	<hr/>	<hr/>
Cash used in operating activities	(7,761)	(42,164)
	<hr/>	<hr/>

22. Related Parties

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.