

Charity registration number 1105320

Company registration number 05049547 (England and Wales)

FIX IT (UK) LTD

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

FIX IT (UK) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Councillor K Cunliffe Councillor JA Harding Ms J Platt Mr KR Rimmer Mrs HC Todd Mr M Keeffe Mr SJ Smith	(Appointed 24 September 2021) (Appointed 24 September 2021)
Charity number	1105320	
Company number	05049547	
Principal address	Unit 6/7 Rosebridge Industrial Estate Moss Street Springview Wigan WN3 4TA	
Registered office	41 Bridgeman Terrace Wigan Lancashire United Kingdom WN1 1TT	
Independent examiner	HullJady 41 Bridgeman Terrace Wigan Lancashire United Kingdom WN1 1TT	

FIX IT (UK) LTD

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FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are to advance the education and training of the inhabitants of the Wigan Borough, in particular but not exclusively young people and those who have been convicted of a criminal offence or whose circumstances may create tendencies in them towards such offences.

In furtherance of these objectives, Fix It (UK) Ltd works with young people who face a variety of complex barriers to participation in mainstream education and training including those with learning difficulties, those lacking positive role models, young offenders, those involved in anti-social behaviour and young people who are not in education, employment or training (NEET) and those at risk of becoming NEET.

Fix It (UK) Limited raises the aspirations of young people from the borough and surrounding areas to meet the opportunities and responsibilities of society today, by offering them practical training in Motor Vehicle Studies and personal development programmes that build confidence, motivation and personal, social and life skills. Our social purpose is to improve the life chances, choices and opportunities of young people who are socially and economically excluded by enabling them to engage in learning, achieving, succeeding and progress into further education, other training or employment. Fix It (UK) Ltd provides opportunities for disadvantaged young people aged 14-16 and up to 24 if they have Special Educational Needs and/or Disabilities, to develop their skills, gain qualifications and undertake practical work experience in motor vehicle maintenance and body work skills. In addition, Fix It (UK) Ltd offers young people the opportunity to engage in functional skills (Maths and English), Personal, Social, Health, Economic and Citizenship education and life and work skills.

Fix It (UK) Ltd uses the lure of working with cars and other motor vehicles to engage and motivate young people on our programmes. Our activities and programmes are designed specifically to engage those young people who are less academically focused and benefit from learning acquired through practically based activities. The majority of our programme involves delivery of practical activities in our purpose built workshop, which is supported by theoretical training sessions to enable our staff to assess the level of knowledge gained by young people and award certification. Fix It (UK) Ltd delivers nationally recognised accredited IMI (Institute Of The Motor Industry) qualifications alongside a range of personal, social life and employment skills training through OpenAwards. Fix It (UK) Ltd prides itself on mentoring to support each young person's transition into further training, education or employment.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

Introduction

The financial year 2021-22 presented major challenges, requiring many key changes and a re-evaluation of how the charity operates and will operate over the next few years. This report highlights the key challenges, the management changes and the major operational matters experienced during this time.

In April 2022, it became apparent that the income expected for the charity by management in the year to 31 August 2022 had been greatly over-estimated which left the charity in a very precarious situation regarding its ongoing viability. In effect the charity was insolvent by the end of April 2022, with no significant income expected until September 2022.

With income lower than anticipated and expenditure, including staffing costs at record high levels, it became apparent that a significant shortfall to year end existed. The reporting to Trustees by management had also been overly optimistic. This, in combination with not reporting fully on the increased expenditure and not ensuring that the finance reporting was kept up to date in a timely and accurate manner meant that there was difficulty in oversight and scrutiny.

Upon discovery of the insolvent position, the Finance Manager resigned with immediate effect and the Principal also resigned. The Trustees then appointed a business recovery team led by the Chair of Trustees, assisted by an Interim Centre Manager with two further business trustees. The services of an external accountant were also fully re-engaged.

The charity was placed into emergency recovery and all staff worked together to attempt to bridge the significant shortfall. Unfortunately two redundancies had to be made and a number of staff left the charity. However, by reviewing all expenditure and by working with HMRC, trustees could see a path to solvency moving toward the 22-23 financial year. The trustees made a conscious decision to continue to operate, because their budgets and predictions indicated that it was responsible to do so.

Clearly this was a very difficult time for the charity and its staff. However, following the significant staffing restructure and substantial reductions in expenditure, there are green shoots of recovery now apparent and at the date of this report, management information shows that the charity has returned to a solvent position and is on track to remain so for the foreseeable future.

EDUCATION

Educational Pathways

The curriculum model continues to be developed through ongoing continuous improvement. The Post-16 offer is delivered through the Institute of the Motor Industry Qualifications and the Pre-16 offer is delivered via OpenAwards qualifications. Post-16 students are offered from entry level up to level 2 in motor vehicle maintenance and repair, and additionally can study functional skills up to Level 2. The pathway for post-16 students is now a maximum of three years excluding learners with exceptionally high needs. Pre-16 learners have a two year pathway (maximum) where the Entry Level 3 award (year 1) and certificate (year 2) are offered.

FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Educational Achievement

Fix It (UK) Ltd recorded its most successful year to date in terms of achievements, exam pass rates were excellent.

The Motor Vehicle qualification results are tabulated below;

Number of Learners Registered	38	100%
Number of Learners Withdrawn	7	18.40%
Number of Learners at end of the course	31	81.60%
Number of Learners Passed at Least 1 Unit	29	93.55%
Number of Learners, who attained full qualification	27	87%

Number of Learners Registered	17	100%
Number of Learners Withdrawn	1	6%
Number of Learners at end of the course	16	94%
Number of Learners Registered (Entry Level 3)	13	81%
Number of Learners, who attained full qualification	8	62%
Number of Learners Registered (Level 1)	3	19%
Number of Learners, who attained full qualification	3	100%

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

ESTATES & FACILITIES

The Built Environment

The main building is suffering from significant internal backlog maintenance and the previous standard of building work and finish also gives rise to condition concerns. However, the direct employment of an Estate Technician has done much to vastly improve the interior aesthetic and learning areas. The building is leased but full internal maintenance and upkeep is bestowed upon the Charity therefore this appointment has been a real positive

Given the financial climate, the medium to long term financial outlook and potential for further austerities within Education and Local Government, the charity will only be undertaking mandatory maintenance and targeted essential curriculum investments from internal financial resources.

Although work had commenced on initial planning for a comprehensive property strategy, given the financial difficulties experienced by the charity, this work has been deferred until 2024/2025.

Energy Markets

The Estate Manager acted proactively in 2021 to ensure that the Charity was protected from the uncertainty in the energy markets due to the Russia / Ukraine conflict. A three-year fixed-rate contract was signed, for gas and electricity, which commences in September 2022 for three years. The rates were secured in December 21 for the September 22 renewal. Energy markets are extremely volatile and it was prudent to act early to protect the charity.

The Charity will be focusing on the sustainability agenda going forward in an attempt to reduce the impact of the dramatic energy market increases that are being experienced at the time of writing of this report.

Insurance Covers

At the time of writing the Charity is in the process of pre-renewal negotiations with the appointed broker.

A significant reduction in premium was achieved in 21-22 as compared to 20-21, following a review by the Estates manager.

2020/21 Spend - £11,404

2021/22 Spend - £6,710

Saving - £4,694

The Charity would expect a similar level of the 21/22 premium for the next financial year ($\pm 15\%$).

FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Catering

It is a fair reflection that the catering department has had a challenging year, this being mainly due to the financial pressure discovered in April 2022. The Charity was left with no option to make a redundancy in catering operations. Although this was a very difficult decision the saving in real terms is substantial and the charity has opted for a bought-in catering offer. All pre16 learners are now given a warm meal at lunch regardless of their free school meals status. The Trustees and management felt this was particularly important given the amount of food poverty in the borough.

HEALTH AND SAFETY

H&S Policy And Procedures

The Health & Safety Policy is reviewed annually and signed off by the Chair of Trustees.

Significant work has been undertaken to ensure that the Health and Safety policies, procedures and general standards of Fix It (UK) Ltd meet the required standards expected by local authorities and school partners. Continuous improvement has occurred throughout the area and continues to be driven by the senior leadership team.

Significant areas where increased emphasis has been implemented over the twelve month period covered by this report are as follows;

- External H&S Auditing
- Risk Assessment with Partner Schools
- Individual Learner Risk Assessments and inclusion of H&S in Individual Learning Plans (ILPs)
- Accident Investigation
- Induction Process (inc H&S)

Health & Safety Performance & Partner Audits

The Charity has been subject to significant and increased audit from our partners. The senior leadership team welcomes this increased rigour in respect to Health & Safety standards. The following organisations have all performed H&S assurance and audit visits;

- Learn4Life / Care Afloat
- The Deanery High School
- Westleigh High School
- The Cambian Group
- Lowton High School
- Bedford High School
- Fred Longworth High School
- Shaftesbury High School

Outstanding feedback has been received from all the above schools and partner organisations, a selection of comments received have been included below;

“A fantastic centre and great provision”

“The centre is extremely clean and tidy and all learners were fully on task”

“Excellent facilities to engage our hard to reach learners”

This is particularly pleasing and demonstrates the distance travelled in the areas of Health, Safety and Welfare over the last three years.

FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The charity's gross income increased from £591K to £597K in 2021/22, an increase of 1%. However, there was an increase in costs of 15%, from £605K to £696K mostly as a result of increased staff costs, so overall there was a deficit for the year to 31 August 2022 of £99K. This left the charity with a total net deficit in funds on 31 August 2022 of £68,719, with the charity owing a substantial sum to HMRC for PAYE. An arrangement to repay this amount over eighteen months has been made with HMRC, new and more realistic budgets drawn up and cash flows produced, which demonstrate that if activities continue as expected, the charity will be able to continue to operate for the foreseeable future. Management information at 31 March 2023 indicates that the charity has already returned to net positive funds.

In summary, Fix It (UK) Ltd was in a financially weak position at 31 August 2022, but indications are that with careful management of resources, there exists a real opportunity to continue to positively impact the lives of a number of the most disadvantaged young people in the Borough of Wigan and beyond.

Reserves policy

It is the policy of this charity to hold in reserves, if possible, the equivalent of two months' general running costs and an additional one month's salary costs. This amounts to approximately £127,700. It is also our policy to hold an amount for any necessary building works. This policy will be reviewed in twelve month's time.

As already detailed elsewhere in this report, at 31 August 2022, the charity had no reserves, so the reserves policy had not been met. As a small charity, the trustees and staff are acutely aware of their responsibilities to the young people in its care and to the staff which it employs and all efforts are being made to return the charity to a surplus position as soon as it is possible.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its governing document, the Memorandum and articles of association incorporated in February 2004.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr BM Wilson	(Resigned 4 January 2023)
Councillor K Cunliffe	
Councillor JA Harding	
Ms J Postlethwaite	(Resigned 21 October 2021)
Ms J Platt	
Mr KR Rimmer	
Mrs HC Todd	
Mr M Keeffe	(Appointed 24 September 2021)
Mr SJ Smith	(Appointed 24 September 2021)
Mr S Grayson	(Appointed 24 September 2021 and resigned 4 January 2023)

FIX IT (UK) LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trustees have been selected for their commitment to our charitable causes and for any particular skills they might have to support the charity's work. The charity actively seek, and welcome new applications from interested people.

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

Although the charity is controlled by the board of trustees who are ultimately responsible for the operation of the charity, on a day to day basis, responsibility for the running of the charity is delegated to directly-employed managers who, together with a specialist team, ensure the charitable objectives are carried out. The managers regularly report to, and are monitored by the trustees.

The trustees' report was approved by the Board of Trustees.



Councillor K Cunliffe
Trustee

27 April 2023

FIX IT (UK) LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FIX IT (UK) LTD

I report to the trustees on my examination of the financial statements of Fix IT (UK) Ltd (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

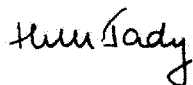
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



HullJady

Clare Jady FCA

41 Bridgeman Terrace

Wigan

Lancashire

WN1 1TT

United Kingdom

Dated: 27 April 2023

FIX IT (UK) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
The statement of financial activities includes all gains and losses recognised in the year.	3	-	16,145
Charitable activities	4	592,079	573,836
Other trading activities	5	4,774	804
Investments	6	25	8
Total income		<u>596,878</u>	<u>590,793</u>
Expenditure on:			
Charitable activities	7	695,920	603,447
Other	12	-	1,133
Total expenditure		<u>695,920</u>	<u>604,580</u>
Net expenditure for the year/ Net movement in funds		(99,042)	(13,787)
Fund balances at 1 September 2021		30,323	44,189
Fund balances at 31 August 2022		<u>(68,719)</u>	<u>30,402</u>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FIX IT (UK) LTD

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		33,363		27,680
Current assets					
Stocks	15	500		500	
Debtors	16	192,558		8,625	
Cash at bank and in hand		30,249		22,785	
		<u>223,307</u>		<u>31,910</u>	
Creditors: amounts falling due within one year	18	<u>(325,389)</u>		<u>(29,188)</u>	
Net current (liabilities)/assets			<u>(102,082)</u>		<u>2,722</u>
Total assets less current liabilities			<u>(68,719)</u>		<u>30,402</u>
Income funds					
Unrestricted funds			<u>(68,719)</u>		<u>30,402</u>
			<u>(68,719)</u>		<u>30,402</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27 April 2023



Councillor K Cunliffe
Trustee

Company Registration No. 05049547

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Fix IT (UK) Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 41 Bridgeman Terrace, Wigan, Lancashire, WN1 1TT, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, and despite the net liabilities of the charity at 31 August 2022, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity 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 charity 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 charity 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.

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised when the charity has a legal obligation to pay and is accounted for on an accruals basis.

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.

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:

Fixtures and fittings	20% reducing balance
Computers	20% reducing balance
Motor vehicles	Enter depreciation rate via StatDB - cd78

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 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.

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

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 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 charity's contractual obligations expire or are discharged or cancelled.

1.11 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity'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.

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

	Total	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	-	370
Grant income	-	15,325
Other	-	450
	<u>-</u>	<u>16,145</u>

4 Charitable activities

	Fix It	Fix It
	2022	2021
	£	£
Services provided under contract	592,079	573,836
	<u>592,079</u>	<u>573,836</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Meals from canteen	4,774	804
	<u>4,774</u>	<u>804</u>

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	25	8

7 Charitable activities

	2022	2021
	£	£
Staff costs	526,762	441,265
Depreciation and impairment	8,417	4,880
Teaching Expenses	8,862	15,053
Accreditation fees	4,007	1,604
Consultancy costs	1,803	1,420
Recruitment costs	-	555
Bad debts	-	8,190
Learner rewards	1,322	593
Staff uniform	154	260
Cleaning and laundry	2,474	8,481
Student burseries	17,340	13,043
Staff training	6,554	3,433
	<u>577,695</u>	<u>498,777</u>
Share of support costs (see note 9)	113,869	99,050
Share of governance costs (see note 9)	4,356	5,620
	<u>695,920</u>	<u>603,447</u>

8 Description of charitable activities

The charity's principal activity is to work with young people who face a variety of complex challenges and to assist them in improving their life chances. The charity uses the lure of working with motor vehicles to engage and motivate young people and to give them the opportunity to engage in functional maths and English, STEM technologies and life and work skills, with the aim of assisting them to move into further training, education or employment

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Rent, rates and premises expenses	40,831	-	40,831	40,090	-	40,090
Motor and travel	30	-	30	478	-	478
Insurance	5,591	-	5,591	11,404	-	11,404
Telephone	11,678	-	11,678	9,961	-	9,961
Light and heat	9,597	-	9,597	11,148	-	11,148
Postage, printing and stationery	339	-	339	707	-	707
IT and computer costs	11,172	-	11,172	3,922	-	3,922
Interest on loans	7,039	-	7,039	1,015	-	1,015
Bank charges	549	-	549	506	-	506
Sundry expenses	27,043	-	27,043	19,819	-	19,819
Accountancy and payroll	-	4,528	4,528	-	2,820	2,820
Legal fees	-	(172)	(172)	-	2,800	2,800
	<u>113,869</u>	<u>4,356</u>	<u>118,225</u>	<u>99,050</u>	<u>5,620</u>	<u>104,670</u>
Analysed between						
Charitable activities	<u>113,869</u>	<u>4,356</u>	<u>118,225</u>	<u>99,050</u>	<u>5,620</u>	<u>104,670</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Matthew Keeffe and Steven Smith, two of the trustees carried out consultancy work for the charity during the year to 31 August 2022, via limited companies of which they are share holders and directors.

The amounts involved are:

Matthew Keeffe - £905

Steven Smith - £900

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total staff numbers	<u>22</u>	<u>24</u>

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Employees	(Continued)	
Employment costs	2022	2021
	£	£
Wages and salaries	518,460	435,626
Other pension costs	8,302	5,639
	<u>526,762</u>	<u>441,265</u>

No employee is paid over £60,000.

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

12 Other

	Total	Unrestricted funds
	2022	2021
	£	£
Net loss on disposal of tangible fixed assets	-	1,133
	-	1,133
	<u>-</u>	<u>1,133</u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Tangible fixed assets	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2021	64,038	9,543	-	73,581
Additions	11,700	1,400	1,000	14,100
At 31 August 2022	<u>75,738</u>	<u>10,943</u>	<u>1,000</u>	<u>87,681</u>
Depreciation and impairment				
At 1 September 2021	41,378	4,523	-	45,901
Depreciation charged in the year	6,803	1,284	330	8,417
At 31 August 2022	<u>48,181</u>	<u>5,807</u>	<u>330</u>	<u>54,318</u>
Carrying amount				
At 31 August 2022	<u>27,557</u>	<u>5,136</u>	<u>670</u>	<u>33,363</u>
At 31 August 2021	<u>22,660</u>	<u>5,020</u>	<u>-</u>	<u>27,680</u>
15 Stocks			2022	2021
			£	£
Raw materials and consumables			<u>500</u>	<u>500</u>
16 Debtors			2022	2021
Amounts falling due within one year:			£	£
Trade debtors			191,286	8,131
Prepayments and accrued income			1,272	494
			<u>192,558</u>	<u>8,625</u>
17 Loans and overdrafts			2022	2021
			£	£
Bank loans			<u>1,627</u>	<u>700</u>
Payable within one year			<u>1,627</u>	<u>700</u>

FIX IT (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Loans and overdrafts

(Continued)

At 31 August 2021, the charity had an outstanding loan due to Key Fund which had been repaid in instalments, the last of which was payable in October 2021. Interest is charged at a commercial rate. The loan was unsecured.

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	1,627	700
Other taxation and social security		85,649	20,728
Trade creditors		2,397	2,533
Accruals and deferred income		235,716	5,227
		<u>325,389</u>	<u>29,188</u>

19 Related party transactions

Other than the transactions disclosed in note 10, there were no disclosable related party transactions during the year (2021 - none).