

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
FARA ENTERPRISES LIMITED



FARA ENTERPRISES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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FARA ENTERPRISES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS:

Mrs J Nicholson
Mrs S M Buxton
Mr M W Nicholson
Mr R Phelan
Ms S Drake
Ms E Ashby

SECRETARY:

Mr R Phelan

REGISTERED OFFICE:

Riverside Centre
63 High Street
Teddington
Middlesex
TW11 8HA

REGISTERED NUMBER:

02697467 (England and Wales)

AUDITORS:

Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
10 St Ann Street
Salisbury
Wiltshire
SP1 2DN

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

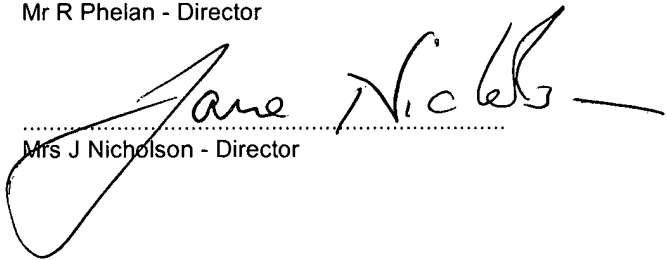
	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	4	325,859	333,942
CURRENT ASSETS			
Stocks		-	14,093
Debtors: amounts falling due within one year	5	336,794	265,780
Cash at bank and in hand		6,197	9,965
		<u>342,991</u>	<u>289,838</u>
CREDITORS			
Amounts falling due within one year	6	620,278	538,780
NET CURRENT LIABILITIES		<u>(277,287)</u>	<u>(248,942)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,572</u>	<u>85,000</u>
CAPITAL AND RESERVES			
Called up share capital	9	5,000	85,000
Retained earnings		43,572	-
SHAREHOLDERS' FUNDS		<u>48,572</u>	<u>85,000</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors on 20/05/2016 and were signed on its behalf by:


 Mr R Phelan - Director


 Mrs J Nicholson - Director

FARA ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. STATUTORY INFORMATION

Fara Enterprises Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing these financial statements, the directors have made the following judgements:

- > Determine whether leases entered into by the company either as a lessor or lessee are operating leases or financial leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- > Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

CHANGES IN ACCOUNTING POLICIES

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 January 2014. The principal accounting policies adopted in the preparation of the financial statements have remained unchanged from the previous year and also have been consistently applied within the same accounts.

REVENUE RECOGNITION

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Shop sales is the amount derived from the UK sales of donated goods, and excludes VAT. Miscellaneous income is the amount derived from the sale of used clothing, shoes, other textiles and non-textile materials that are unsellable in the shops, excluding VAT. Rents received represents income from properties subleased on an accruals basis.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- Over the length of the lease
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 33% on reducing balance

Leasehold property is depreciated over the term of the lease, which varies from three to fifteen years.

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost included expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

OPERATING LEASES

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

FARA ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES - continued

SHORT-TERM DEBTORS AND CREDITORS

Debtors and creditors receivable and payable within one year or upon demand are recorded at transaction price whether or not a rate of interest is charged on the balance. Any losses arising from impairment are recognised in the income statement in other operating expenses.

FINANCIAL INSTRUMENTS

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 244.

4. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2015	214,960	646,109	72,727	39,400	973,196
Additions	58,151	26,586	-	3,780	88,517
Disposals	(37,225)	(8,204)	-	-	(45,429)
At 31 December 2015	235,886	664,491	72,727	43,180	1,016,284
DEPRECIATION					
At 1 January 2015	113,251	450,986	46,357	28,660	639,254
Charge for year	38,117	41,938	6,592	4,272	90,919
Eliminated on disposal	(37,225)	(2,523)	-	-	(39,748)
At 31 December 2015	114,143	490,401	52,949	32,932	690,425
NET BOOK VALUE					
At 31 December 2015	121,743	174,090	19,778	10,248	325,859
At 31 December 2014	101,709	195,123	26,370	10,740	333,942

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	48,960	22,584
Amounts owed by group undertakings	30,730	6,333
Other debtors	5,497	5,400
Rental deposits and premiums	51,140	25,667
VAT	40,316	39,698
Prepayments and accrued income	160,151	166,098
	<u>336,794</u>	<u>265,780</u>

FARA ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts	4,701	-
Trade creditors	58,437	109,773
Amounts owed to group undertakings	304,537	239,798
Social security and other taxes	89,894	91,328
Other creditors	25,760	4,373
Deferred income	30,835	22,200
Accrued expenses	106,114	71,308
	<u>620,278</u>	<u>538,780</u>

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015 £	2014 £
Within one year	1,327,079	1,422,973
Between one and five years	4,198,501	4,450,611
In more than five years	486,328	982,733
	<u>6,011,908</u>	<u>6,856,317</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2015 £	2014 £
Owed to group undertakings	<u>304,537</u>	<u>239,798</u>

Included within the amounts owed to group undertakings totalling £304,537 (2014: £239,798) which is secured against by fixed charge over all leasehold property fixtures, plant and machinery, uncalled capital, book debts, intellectual property rights and floating charges on all the company's present and future undertakings and assets.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
5,000	Ordinary	1	<u>5,000</u>	<u>85,000</u>

During the year the company's share capital was reduced from 85,000 to 5,000 ordinary shares which was supported by the solvency statement and the statement of directors.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Susan Sullivan FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP

11. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions as the company is a wholly owned subsidiary within the group.

FARA ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. ULTIMATE CONTROLLING PARTY

At the balance sheet date, the company is under the control of the Trustees of the incorporated parent charity, FARA Foundation (Limited by Guarantee) whose registered office is 51 High Street, Walsingham, Norfolk, NR22 6BZ.