

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**FOR**  
**FARA ENTERPRISES LIMITED**

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**FARA ENTERPRISES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FARA ENTERPRISES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

Mr R Phelan  
Ms E Ashby  
Mrs L J Dawson  
Ms E H A Middleton  
Ms F Balasel  
Mr P W Groves

**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  
Chilworth Point  
1 Chilworth Road  
Southampton  
SO16 7JQ

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	4	203,533	238,051
<b>CURRENT ASSETS</b>			
Debtors	5	558,298	411,163
Cash at bank and in hand		31,418	45,554
		589,716	456,717
<b>CREDITORS</b>			
Amounts falling due within one year	6	357,448	680,257
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		232,268	(223,540)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		435,801	14,511
<b>PROVISIONS FOR LIABILITIES</b>		421,290	-
<b>NET ASSETS</b>		14,511	14,511
<b>CAPITAL AND RESERVES</b>			
Called up share capital		5,000	5,000
Retained earnings		9,511	9,511
<b>SHAREHOLDERS' FUNDS</b>		14,511	14,511


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

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

The financial statements were approved by the Board of Directors and authorised for issue on 25/09/2022 and were signed on its behalf by:



Mr R Phelan - Director



Mrs L J Dawson - Director

The notes form part of these financial statements

## **FARA ENTERPRISES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

##### **SIGNIFICANT JUDGEMENTS AND ESTIMATES**

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for directors to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reporting amounts of revenues and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the company are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

##### **Critical Judgements**

- > Management determine whether financial instruments are basic or advanced and when to deal with recognising, derecognising, measuring and disclosing financial instruments. These decisions depend on an assessment made of the accounting standards.
- > Management determine whether or not a provision is required. These decisions are based on the likelihood of a cost being realized and the materiality of the amount.
- > Management determine the point of recognition of revenue. Factors taken into consideration in reaching such a decision include an assessment of whether the risks and rewards of ownership have been transferred to the customer.
- > Management determine whether leases entered into by the company either as a lessor or a lessee are an operating lease or financial lease. 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.
- > As week 52 of the financial year ended on the 25/12/2021 management have determined that sales after this point to the year end be included in the next financial year, and have been deferred on that basis.
- > Management determine whether a dilapidation cost is likely to be incurred on leaving the rental properties.

##### **Significant Estimates**

- > To 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.
- > To determine the provision for dilapidation management review the actual costs incurred on leaving properties vacated in the last two years to calculate an average cost per square metre.

##### **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.

**FARA ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**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
Website	- Straight line over 2 - 4 years
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 includes 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.

The assets' residual values, useful lives and depreciation methods are reviewed and if appropriate are adjusted if there is an indication of a significant change since the last reporting date.

**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.

**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.

**Provisions for dilapidation**

Provisions represent the best estimate of the liability at the balance sheet date of probable future costs of restoring rented properties to their required condition at the end ultimate expiry of the lease. Expectations are revised at each period end until the actual liability arises, with any difference accounted for in the period in which the revision is made.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 305 (2020 - 297).

**FARA ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. TANGIBLE FIXED ASSETS**

	Short leasehold £	Website £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2021	108,624	-	914,741
Additions	1,807	16,757	7,886
Disposals	(15,889)	-	-
At 31 December 2021	94,542	16,757	922,627
<b>DEPRECIATION</b>			
At 1 January 2021	67,630	-	747,993
Charge for year	12,738	5,586	36,063
Eliminated on disposal	(15,889)	-	-
At 31 December 2021	64,479	5,586	784,056
<b>NET BOOK VALUE</b>			
At 31 December 2021	30,063	11,171	138,571
At 31 December 2020	40,994	-	166,748
	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>			
At 1 January 2021	77,522	103,831	1,204,718
Additions	-	4,106	30,556
Disposals	-	-	(15,889)
At 31 December 2021	77,522	107,937	1,219,385
<b>DEPRECIATION</b>			
At 1 January 2021	65,564	85,480	966,667
Charge for year	2,989	7,698	65,074
Eliminated on disposal	-	-	(15,889)
At 31 December 2021	68,553	93,178	1,015,852
<b>NET BOOK VALUE</b>			
At 31 December 2021	8,969	14,759	203,533
At 31 December 2020	11,958	18,351	238,051

**FARA ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	24,610	13,194
Amounts owed by group undertakings	258,513	1,746
Other debtors	8,051	12,482
Coronavirus job retention scheme	-	103,286
Rental deposits and premiums	36,140	47,932
Apprenticeship levy	12,771	11,841
Directors' current accounts	-	7,944
VAT	42,714	41,549
Prepayments and accrued income	175,499	153,189
	<u>558,298</u>	<u>393,163</u>
Amounts falling due after more than one year:		
Directors' loan accounts	-	18,000
	<u>-</u>	<u>18,000</u>
Aggregate amounts	<u>558,298</u>	<u>411,163</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	138,768	166,350
Amounts owed to group undertakings	-	332,978
Tax	-	6,338
Social security and other taxes	109,428	79,342
Other creditors	20,075	15,647
Credit notes & gift vouchers	18,343	13,284
Deferred income	20,580	-
Accrued expenses	50,254	66,318
	<u>357,448</u>	<u>680,257</u>

**7. LEASING AGREEMENTS**

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

	2021 £	2020 £
Within one year	661,250	808,293
Between one and five years	569,835	1,061,340
In more than five years	-	14,466
	<u>1,231,085</u>	<u>1,884,099</u>

**8. SECURED DEBTS**

The following secured debts are included within creditors:

	2021 £	2020 £
Owed to group undertakings	180,818	332,978

The debt is secured by a fixed charge over all leasehold property fixtures, plant and machinery, uncalled capital, book debts and intellectual property rights and floating charges on all the company's present and future undertakings and assets.



**FARA ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The Report of the Auditors was unqualified.

Lisa Wilson FCA (Senior Statutory Auditor)  
for and on behalf of Rothmans Audit LLP

**10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the beginning of the year the directors owed the company £25,944. During the year the directors repaid the full amount owing leaving a nil balance at the year end.

**11. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard Section 1A for "Small Entities" 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.

**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 Riverside Centre 63 High Street, Teddington, Middlesex, TW11 8HA. FARA Foundation (Limited by Guarantee) prepare consolidated financial statements for the group.