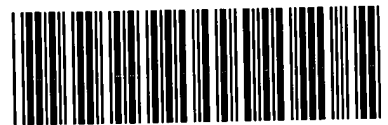


AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
FARA ENTERPRISES LIMITED

FRIDAY



AABS9V23

A08

27/08/2021

#88

COMPANIES HOUSE

FARA ENTERPRISES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	3

FARA ENTERPRISES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

Mr R Phelan
Ms S Drake
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 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	4	238,051	273,446
CURRENT ASSETS			
Debtors	5	411,163	436,428
Cash at bank and in hand		45,554	7,728
		<u>456,717</u>	<u>444,156</u>
CREDITORS			
Amounts falling due within one year	6	<u>680,257</u>	<u>703,091</u>
NET CURRENT LIABILITIES		<u>(223,540)</u>	<u>(258,935)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,511</u>	<u>14,511</u>
CAPITAL AND RESERVES			
Called up share capital		5,000	5,000
Retained earnings		<u>9,511</u>	<u>9,511</u>
SHAREHOLDERS' FUNDS		<u>14,511</u>	<u>14,511</u>

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 28/06/2021 and were signed on its behalf by:


Mr R Phelan - Director


Mrs L J Dawson - Director

FARA ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The directors of the Company are keenly aware of the economic impact of the COVID-19 pandemic however despite these circumstances, the directors have a reasonable expectation that the Company has the adequate resources to continue to operational existence for the foreseeable future. Given the strong performance of the organisation in the past, the current cash position and the sales performance since re-opening the retail units on 12 April 2021, the directors do not see any material uncertainties regarding the Company's ability to continue as a going concern. In assessing the Company's ability to continue as a going concern the directors have taken into consideration all available information relating to the 12 month period from the date of approval of the financial statements including current and future trading and cashflow forecasts for the Company.

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 realised 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.

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.

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 2020

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
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.

GOVERNMENT GRANTS

The Company recognises government grants related to the Coronavirus Job Retention Scheme and the hospitality and retail grant in profit or loss as income when the grant becomes receivable.

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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 297 (2019 - 284).

FARA ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2020	97,504	910,744	95,687	96,481	1,200,416
Additions	13,423	3,997	-	7,350	24,770
Disposals	(2,303)	-	(18,165)	-	(20,468)
At 31 December 2020	108,624	914,741	77,522	103,831	1,204,718
DEPRECIATION					
At 1 January 2020	58,160	713,053	79,743	76,014	926,970
Charge for year	11,773	34,940	3,986	9,466	60,165
Eliminated on disposal	(2,303)	-	(18,165)	-	(20,468)
At 31 December 2020	67,630	747,993	65,564	85,480	966,667
NET BOOK VALUE					
At 31 December 2020	40,994	166,748	11,958	18,351	238,051
At 31 December 2019	39,344	197,691	15,944	20,467	273,446

5. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	13,194	16,354
Amounts owed by group undertakings	1,746	61,752
Other debtors	12,482	10,502
Coronavirus job retention scheme	103,286	-
Rental deposits and premiums	47,932	54,309
Apprenticeship levy	11,841	16,083
Directors' current accounts	7,944	9,974
VAT	41,549	51,877
Prepayments and accrued income	153,189	191,281
	<u>393,163</u>	<u>412,132</u>
Amounts falling due after more than one year:		
Directors' loan accounts	<u>18,000</u>	<u>24,296</u>
Aggregate amounts	<u>411,163</u>	<u>436,428</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	-	32
Trade creditors	166,350	67,187
Amounts owed to group undertakings	332,978	352,917
Tax	6,338	-
Social security and other taxes	79,342	129,254
Other creditors	15,647	20,029
Credit notes & gift vouchers	13,284	38,007
Accrued expenses	66,318	95,665
	<u>680,257</u>	<u>703,091</u>

FARA ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

7. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	808,293	1,154,799
Between one and five years	1,061,340	1,065,365
In more than five years	14,466	-
	<u>1,884,099</u>	<u>2,220,164</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Owed to group undertakings	<u>300,124</u>	<u>352,917</u>

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.

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 £34,270. During the year the directors repaid an amount of £9,070 and after being charged interest of £744, an amount of £25,944 was owed to the company at the balance sheet date.

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 51 High Street, Walsingham, Norfolk, NR22 6BZ. FARA Foundation (Limited by Guarantee) prepare consolidated financial statements for the group.