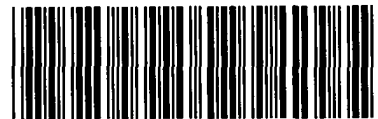


**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013
FOR
FARA ENTERPRISES LIMITED**

WEDNESDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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FARA ENTERPRISES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS:
Mrs J Nicholson
Mr M N W Greenwood
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

AUDITORS: Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
10 Romsey Road
Eastleigh
Hampshire
SO50 9AL

FARA ENTERPRISES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

REVIEW OF BUSINESS

During the year the Company opened three new shops and closed one bringing the total number of outlets at the year end to 51. The Company invested in a new venture during the year - the FARA Workshop - which extends the lifespan of clothing and fabrics generously donated to FARA by transforming them into a collection of new fashion and re-worked clothing. Educational projects, workshops and collaborations with up and coming designers and artists further enhance the store and workshop in Islington as a creative community hub and underpin the social enterprise philosophy.

The Company made an operating profit of £1,144,791 compared to £1,267,543 in the previous year. The downturn in operating profit is attributable to the difficult economic climate, which continues to impact on the business. There is a pressure on consumer expenditure which affects the sales.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company relies solely on donated goods to generate its sales. In an increasingly active market place the quantity and quality of donations of merchandise were down on previous years and this presents the Company with its greatest challenge going forward.

The Company is well placed to withstand the current competitive environment with shops that provide conducive places to shop and which offer high standards of customer service with well trained staff to sell the keenly priced products.

ON BEHALF OF THE BOARD:



.....
Mr R Phelan - Director

Date:



**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the accounts of the company for the year ended 31 December 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Rothman Pantall LLP resigned as auditors on 25 February 2013 and Rothmans Audit LLP were appointed as auditors on the same day.

The new auditors, Rothmans Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr R Phelan - Director

Date: 15 May 2014

**REPORT OF THE INDEPENDENT AUDITORS TO
FARA ENTERPRISES LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to twelve, together with the full financial statements of Fara Enterprises Limited for the year ended 31 December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Richard Showan BA FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
10 Romsey Road
Eastleigh
Hampshire
SO50 9AL

Date: 29 May 2014

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
TURNOVER		7,522,953	6,911,846
Other operating income		91,699	84,506
		<u>7,614,652</u>	<u>6,996,352</u>
Administrative expenses		<u>6,469,861</u>	<u>5,728,809</u>
OPERATING PROFIT	3	1,144,791	1,267,543
Charitable donation - FARA	4	<u>1,123,022</u>	<u>1,271,469</u>
		21,769	(3,926)
Interest payable and similar charges	5	<u>4,928</u>	<u>6,259</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		16,841	(10,185)
Tax on profit/(loss) on ordinary activities	6	<u>-</u>	<u>756</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>16,841</u></u>	<u><u>(10,941)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

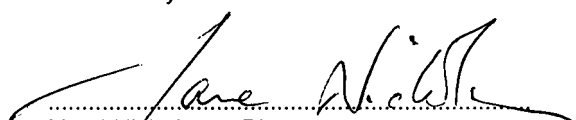
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

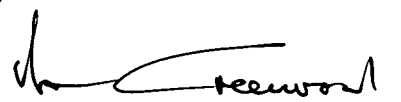
ABBREVIATED BALANCE SHEET
31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	321,265	248,437
CURRENT ASSETS			
Stocks	8	32,915	-
Debtors	9	287,015	231,892
Cash at bank and in hand		<u>7,310</u>	<u>14,767</u>
		327,240	246,659
CREDITORS			
Amounts falling due within one year	10	<u>338,927</u>	<u>294,681</u>
NET CURRENT LIABILITIES		<u>(11,687)</u>	<u>(48,022)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		309,578	200,415
CREDITORS			
Amounts falling due after more than one year	11	<u>224,578</u>	<u>132,256</u>
NET ASSETS		<u>85,000</u>	<u>68,159</u>
CAPITAL AND RESERVES			
Called up share capital	14	85,000	85,000
Profit and loss account	15	<u>-</u>	<u>(16,841)</u>
SHAREHOLDERS' FUNDS	18	<u>85,000</u>	<u>68,159</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 15 May 2014 and were signed on its behalf by:


 Mrs J Nicholson - Director


 Mr M N W Greenwood - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	£	2013	£	2012	£
Net cash inflow/(outflow) from operating activities	1			169,332		(44,673)
Returns on investments and servicing of finance	2			(4,928)		(6,259)
Taxation				-		(4,491)
Capital expenditure	2			(171,861)		(25,882)
				(7,457)		(81,305)
Financing	2			-		75,000
Decrease in cash in the period				<u>(7,457)</u>		<u>(6,305)</u>

**Reconciliation of net cash flow
to movement in net debt**

	3				
Decrease in cash in the period		(7,457)		(6,305)	
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(92,322)</u>		<u>53,528</u>	
Change in net debt resulting from cash flows			(99,779)		47,223
Movement in net debt in the period			(99,779)		47,223
Net debt at 1 January			<u>(117,489)</u>		<u>(164,712)</u>
Net debt at 31 December			<u>(217,268)</u>		<u>(117,489)</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	1,144,791	1,267,543
Depreciation charges	99,033	71,456
Profit on disposal of fixed assets	-	(2,600)
Donation	(1,123,022)	(1,271,469)
Increase in stocks	(32,915)	-
(Increase)/decrease in debtors	(55,123)	60,834
Increase/(decrease) in creditors	<u>136,568</u>	<u>(170,437)</u>
Net cash inflow/(outflow) from operating activities	<u>169,332</u>	<u>(44,673)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	<u>(4,928)</u>	<u>(6,259)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(4,928)</u>	<u>(6,259)</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(171,861)</u>	<u>(28,482)</u>
Sale of tangible fixed assets	<u>-</u>	<u>2,600</u>
Net cash outflow for capital expenditure	<u>(171,861)</u>	<u>(25,882)</u>
Financing		
Share issue	<u>-</u>	<u>75,000</u>
Net cash inflow from financing	<u>-</u>	<u>75,000</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	<u>14,767</u>	<u>(7,457)</u>	<u>7,310</u>
	<u>14,767</u>	<u>(7,457)</u>	<u>7,310</u>
Debt:			
Debts falling due after one year	<u>(132,256)</u>	<u>(92,322)</u>	<u>(224,578)</u>
	<u>(132,256)</u>	<u>(92,322)</u>	<u>(224,578)</u>
Total	<u>(117,489)</u>	<u>(99,779)</u>	<u>(217,268)</u>

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover is the amount derived from the UK sales of donated goods, and excludes VAT.

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.

STOCKS

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

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The company has not adopted a policy of discounting deferred tax assets and liabilities.

OPERATING LEASES

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

2. STAFF COSTS

	2013 £	2012 £
Wages and salaries	<u>3,440,139</u>	<u>3,023,152</u>

The average monthly number of employees during the year was as follows:

2013	2012
<u>180</u>	<u>170</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation - owned assets	99,033	71,456
Profit on disposal of fixed assets	-	(2,600)
Auditors' remuneration	<u>15,210</u>	<u>18,000</u>
Directors' remuneration	<u>242,792</u>	<u>233,962</u>

Included within auditor's remuneration are amounts paid in respect of the external scrutiny of the accounts totalling £8,000 (2012: £8,000).

Information regarding the highest paid director is as follows:

	2013 £	2012 £
Emoluments etc	<u>60,375</u>	<u>58,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

4. EXCEPTIONAL ITEMS

During the year a charitable donation was paid in the sum of £1,123,022 (2012 : £1,271,469) to FARA Foundation (Limited by Guarantee), the parent undertaking.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Other interest	<u>4,928</u>	<u>6,259</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
CT over/under provision	<u>-</u>	<u>756</u>
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>756</u>

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2013	221,399	497,332	49,265	25,441	793,437
Additions	28,132	108,860	21,500	13,369	171,861
Disposals	<u>(73,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,335)</u>
At 31 December 2013	<u>176,196</u>	<u>606,192</u>	<u>70,765</u>	<u>38,810</u>	<u>891,963</u>
DEPRECIATION					
At 1 January 2013	136,079	351,209	41,947	15,765	545,000
Charge for year	33,228	50,996	7,204	7,605	99,033
Eliminated on disposal	<u>(73,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,335)</u>
At 31 December 2013	<u>95,972</u>	<u>402,205</u>	<u>49,151</u>	<u>23,370</u>	<u>570,698</u>
NET BOOK VALUE					
At 31 December 2013	<u>80,224</u>	<u>203,987</u>	<u>21,614</u>	<u>15,440</u>	<u>321,265</u>
At 31 December 2012	<u>85,320</u>	<u>146,123</u>	<u>7,318</u>	<u>9,676</u>	<u>248,437</u>

8. STOCKS

	2013 £	2012 £
Stocks	<u>32,915</u>	<u>-</u>

9. DEBTORS

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	23,128	13,603
Other debtors	9,150	6,200
VAT	34,107	29,249
Prepayments and accrued income	<u>219,927</u>	<u>182,137</u>
	<u>286,312</u>	<u>231,189</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

9. DEBTORS - continued

	2013 £	2012 £
Amounts falling due after more than one year:		
FARA Properties Limited	<u>703</u>	<u>703</u>
Aggregate amounts	<u>287,015</u>	<u>231,892</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	64,139	78,035
Social security and other taxes	94,686	82,288
Other creditors	425	305
Accruals and deferred income	12,774	2,942
Accrued expenses	<u>166,903</u>	<u>131,111</u>
	<u>338,927</u>	<u>294,681</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Other loans (see note 12)	<u>224,578</u>	<u>132,256</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due between two and five years:		
FARA Foundation	<u>224,578</u>	<u>132,256</u>

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases 2013 £	2012 £
Expiring:		
Within one year	260,751	179,101
Between one and five years	602,900	645,750
In more than five years	<u>649,578</u>	<u>540,828</u>
	<u>1,513,229</u>	<u>1,365,679</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
85,000	Ordinary	£1	<u>85,000</u>	<u>85,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

15. RESERVES

	Profit and loss account £
At 1 January 2013	(16,841)
Profit for the year	<u>16,841</u>
At 31 December 2013	<u><u>-</u></u>

16. RELATED PARTY DISCLOSURES

The company owed the parent undertaking, FARA Foundation (Limited by Guarantee), £224,578 (2012: £132,256) at the balance sheet date. Interest is charged on the loan at a rate of 3% above the bank base rate, the interest accrued for the year was £4,928 (2012: £6,259), of which, £4,928 (2012: £6,259) was unpaid at the year end.

At the balance sheet date, the company was owed £703 (2012: £703) by FARA Properties Ltd, a company also under the control of FARA Foundation (Limited by Guarantee).

17. 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).

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit/(loss) for the financial year	16,841	(10,941)
New share capital subscribed	<u>-</u>	<u>75,000</u>
Net addition to shareholders' funds	16,841	64,059
Opening shareholders' funds	<u>68,159</u>	<u>4,100</u>
Closing shareholders' funds	<u><u>85,000</u></u>	<u><u>68,159</u></u>

19. CHARITABLE DONATION

The charitable donation of £1,123,022 (2012: £1,271,469) to FARA Foundation (Limited by Guarantee), the parent undertaking, is paid under Gift Aid rules.