

**FARA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Teddington
England
TW11 8GT

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Website: www.FARACHarity.org

Registered Charity No: 1139349
Registered Company No: 07432706

FARA FOUNDATION (LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2024

	Page
Trustees' Annual Report (incorporating the Strategic Report and Directors' Report)	1 to 13
Report of the Independent Auditors	14 to 16
Consolidated Statement of Financial Activities	17
Consolidated Balance Sheet	18
Group Cash Flow Statement	19
Notes to the Consolidated Financial Statements	20 to 32

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

INCORPORATION

The charitable company was incorporated on 8 November 2010.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07432706 (England and Wales)

Registered Charity number

1139349

Registered office

2nd Floor
Suite 1
8 Waldegrave Road
Teddington
England
TW11 8GT

Key Management Personnel

Trustees (Directors)

Ms S G Cross - Chair

Mrs L J Dawson

Mr R H C Chalk

Mr P W Groves

Mr R Davidson - Treasurer

Mrs N Nowak

Mrs E H A Middleton

Mr R Lynas (appointed 25.03.24)

Dr Y S H Johnson (appointed 25.03.24)

Ms K Higgins (appointed 14.06.24)

Company Secretary and Chief Operating Officer (COO)

Mr R Phelan

Chief Executive Officer (CEO)

Ms E Gordon

Administrator

Ms J Sugden

Royal Patron

His Majesty King Charles III

Senior Managers of FARA Enterprises Limited

Directors

Mr R Phelan – Chief Operating Officer and Company Secretary

Mrs L J Dawson

Mr P W Groves

Ms E H A Middleton

Mr R Davidson (appointed 08.07.24)

Ms E Gordon (appointed 08.07.24)

Senior Managers of FARA Properties Limited (Dissolved 26.11.24)

Directors

Mr R Phelan (Director and Company Secretary)

Mr R H C Chalk

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

Banks

Barclays Bank PLC
Santander UK PLC
Flagstone Group Ltd

Solicitors and legal advisors

Just Employment Law – Employment
Field Seymour Parkes – Property
Broadfield Law LLP – UK Charity Law Solicitors
MPR Partners -Romanian Law Advisors
Shield Safety – Health & Safety

Auditors

Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the directors of FARA Foundation (Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

FARA FOUNDATION (LIMITED BY GUARANTEE)

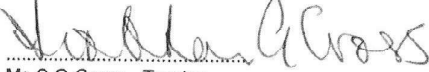
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report

for the Year Ended 31 December 2024

PUBLIC BENEFIT

The Board of Trustees has given regard to the legislative and regulatory requirements for disclosing how its charitable objectives have provided benefit to the public. The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. This report outlines how our achievements during 2024 have benefited the public, either directly or indirectly.

ON BEHALF OF THE BOARD:



Ms S G Cross - Trustee

Date: 7 July 2025

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

Statement from the Chair and Chief Executive

We are pleased to introduce the FARA Foundation 2024 annual report. The challenges faced by vulnerable populations in Romania remain significant. European Union statistics continue to show that Romania has the highest rate of children at risk of poverty or social exclusion in the EU, at 41.5%. This underscores the vital importance of our partner Fundația FARA's work in Romania. We are proud to report that in 2024, the programmes of Fundația FARA - reached more than 1,800 beneficiaries. This represents an increase in the number of people directly supported compared to 2023.

Fundația FARA's three Therapy and Rehabilitation programmes worked with more than 250 children with disabilities and their families to provide free and vital therapies to help the children overcome the limitations of their disability and facilitate inclusion into mainstream education. The Tackling Poverty Through Education programmes worked with more than 280 disadvantaged or marginalised primary, secondary and high school students, providing educational support and other wrap-around support, all aimed at preventing school drop-out, fighting poverty and promoting social inclusion. And their residential and outreach programmes for adults with disabilities providing support for 82 people, helping them to gain independence and live their lives in dignity.

It is hugely inspirational to see how effective and impactful the programmes we fund are. One of the things that always strikes us when we visit the programmes is just how much joy there is within them. As one of the specialists who works within the adults with disability programmes commented: "Impact is measured in small steps, through seemingly minor activities that those with disabilities do for the first time. I measure impact by the joy the beneficiaries express."

This year saw a significant change take place within the Fundația FARA programmes. St Nicolas children's home, which marked the beginning of FARA as we know it today, closed its doors at the end of 2024 after 27 years of activity. Opened in 1997, St Nicolas was FARA's first residential care facility and official programme. Alongside its sister home, St Gabriel's (1999–2019), 78 children were provided with a family, and the love generated through this programme continues to resonate and extend into the wider community, enriching many lives. Since St Nicolas and St Gabriel's opened, Romanian society has changed significantly. The development of foster care services has reduced the need for residential homes for children and switched the focus to community work. Though St Nicolas and St Gabriel's have now closed, their legacy lives on in the lives they touched and the hope they brought to so many; these homes offered a true family environment where children were loved, cared for, educated, supported and encouraged to succeed in life.

The year has not been without its challenges. In 2024, we continued to navigate economic pressures in the UK and in Romania, and we are incredibly grateful for the tireless commitment and professionalism of our staff. On the UK side, our retail operations, comprising 40 shops in 26 neighbourhoods across London, remained a vital source of funding. Because of this, we have continued to invest time and effort into strengthening the retail arm and raising the profile of our shops as a core part of our wider strategy.

We continue to focus on the delivery of our three key strategic objectives from our 2024 – 2026 strategy.

- 1) Programmes: We will support the Fundația FARA programmes to deliver services of the highest quality to help the most vulnerable children, young people, adults and families in Romania, developing our partnership to ensure it is effective, professional and sustainable and enables them to implement their three-year strategic plan.
- 2) Public engagement: We will consolidate and grow the contributions from our retail operation to ensure its continued success and resilience, while also looking to diversify our income base by increasing our public profile and community engagement.
- 3) People: We will cultivate a thriving and productive workforce supported by dedicated and professional governance, united under shared values, vision and mission.

This year, it has been a pleasure to continue working alongside our hardworking leadership team and Board of Trustees. And we remain hugely grateful to the generosity of those who shop in and donate goods to our stores, donate financially, and raise funds for us - you enable us to be able to fund the excellent programmes that make real change happen for many of Romania's most vulnerable.

Siobhan Cross, Chair of the Board of Trustees, FARA Foundation, and Libby Gordon, Chief Executive, FARA Foundation

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

STRATEGIC REPORT

WHO WE ARE AND OUR OBJECTIVES

The FARA Foundation (FARA UK) is a registered charity in the UK and was founded in 1991 in order to provide "relief of suffering of those children and adults in Romania who are living in poverty or marginalised or who have disabilities" and this is done in a number of ways through our partner Fundația FARA including providing community based care to those living in poverty with a focus on education for children, the provision of social support for children and adults with complex needs and disabilities (in day centers, outreach programs and supported living accommodation) and advocates for social and economic inclusion of disadvantaged children and adults.

In order to deliver on our charitable objectives FARA UK makes grants to Fundația FARA a non-profit, non-governmental organisation supporting Romania's poorest and most vulnerable children, young people and families. FARA and Fundația FARA work toward common values, strategies and standards. Fundația FARA's work is closely monitored and evaluated, with appropriate policies in place and results reported.

The FARA Partnership comprises Fundația FARA Romania (grantee) and FARA UK (grantor), formalised through a Memorandum of Understanding / Partnership Agreement. Although independent of each other, these two organisations work to fulfil a shared vision, mission, and set of values and are governed by two separate boards with defined remits and responsibilities. Each board is responsible for implementing its strategic objectives.

In 2024 FARA UK remitted funds to Fundația FARA every quarter based on an approved annual grant, providing 96% of the funds required by Fundația FARA in 2024 to deliver the core services in the programmes. Fundația FARA raised the remaining 4% in Romania, while also raising funds to provide additional services over and above the core services.

The work delivered under the annual grant enables Fundația FARA to provide support for some of the most vulnerable social groups facing extreme poverty by addressing social inclusion and poverty reduction. Operating in two regions of Romania, it fulfils lives, builds futures and spreads hope. The work is life-changing for many families living in poverty and for children and adults with disabilities.

Vision, Mission and Values

Our vision is of a world in which everyone can live with freedom and dignity in a loving, protective environment, experiencing fulfilled lives whatever their ability.

Our mission is to transform the lives of the most vulnerable and disadvantaged children, young people, adults and families living in Romania's poorest communities.

Our values underpin all the work and are shared by all those involved in carrying out our mission both in the UK and Romania. FARA strives to build a just society serving the common good, based on Christian values of love, justice, dignity and respect, welcoming people of all faiths and none.

- We act with kindness and compassion.
- We respect the human dignity of every person.
- We believe in practical hands-on care.
- We strive to build a just society.
- We responsibly collaborate across all sections of society.
- We strive to be a best-practice organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

FARA UK is governed by a Board of Trustees, who are legally responsible for directing the affairs of the charity. The Trustees have full legal responsibility for the actions of the organisation. The Board of Trustees meets at least three times annually to review and direct strategy, budget and performance.

FARA UK has three main board subcommittees, which aim to ensure that FARA and all its subsidiary entities in the UK are properly governed and that the funds remitted to Fundația FARA are spent appropriately. They meet in advance of and report on their proceedings to the full board. Each subcommittee has a separate remit.

- *Services Subcommittee – responsible for HR governance, strategy & oversight of services delivered in Romania (Chair: Lucinda Dawson)*
- *Trading Subcommittee – responsible for charity retail matters and marketing & communications. (Chair: Hannah Middleton)*
- *Finance & Risk Subcommittee – responsible for all finance and risk matters. (Chair: Robert Davidson)*
 - *Within this also sits an Investment Committee that reviews the investment portfolio (Chair during 2024: Natalia Nowak)*

In addition, there is a Remuneration Committee which meets annually and is responsible for reviewing the annual increases for all staff and overall pay principles, and providing recommendations to the board and a Property Committee which approves new and renewing property leases.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

FARA UK was incorporated as a company limited by guarantee, as defined by the Companies Act 2006, on November 8, 2010, and is governed by its Articles of Association. The Articles of Association were updated in March 2024 to ensure they are appropriate and fit for purpose.

During the year, the charity had two wholly owned subsidiaries. FARA Enterprise Limited (FEL) operates a retail charity business that donated all of its profits to Fundația FARA. This comprises 40 high street stores: 22 general stores, 14 children's stores, two bookstores, a homeware store and a vintage store. In addition, it has an online store selling items suitable for sale online. Four members of the Board of Trustees sit on the board of FARA Enterprises Limited along with the Chief Executive Officer and Chief Operating Officer / Company Secretary of FARA.

FARA Properties Limited (FPL) was a property holding company. It disposed of all its property holdings during the course of 2023 and was dissolved on 26.11.24.

Appointment of Trustees

The appointment of Trustees is outlined in the Articles of Association and follows the advice of the Charity Commission. The Articles of Association were updated in March 2024 to support and simplify the process around the appointment, retirement and removal of Trustees and to bring it into line with the Charities Act 2011.

All new Trustees are put through an induction and training programme to ensure they understand their role, how the organisation runs, and its vision, mission, and values. They will spend time with the Chair of Trustees and the CEO and meet key executive members to understand how the charity operates. They will be a member of at least one of the subcommittees. They will also be expected to visit the programmes in Romania when the opportunity arises so they understand how the funds raised are utilised.

Public benefit

The FARA UK Trustees confirm that they meet the Charities Act 2011 public benefit requirement. FARA fulfils this by grant funding to Fundația FARA for the relief of poverty, the improvement of the lives of people with disabilities, and its programme to tackle poverty through the education of school-aged children. The programmes and work are further outlined below.

Executive leadership

Libby Gordon has continued as Chief Executive of the FARA Foundation, and she, along with the executive leadership team, has delegated authority for running the charity and trading arm, working within a board-approved scheme of delegations. The organisation's director roles include Chief Operating Officer, Trading Director, Marketing and Communications Director, Development and External Engagement Director, and Human Resources Director all working collectively to lead the organisation.

Equal Opportunities Policy

FARA UK does not discriminate on the basis of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnicity or national origin, religion or belief, sex or sexual orientation.

Remuneration Policy

Our approach to remuneration is designed to ensure that we attract and retain staff and maintain affordability. Pay principles and banding were developed and rolled out in 2022 to ensure fairness and consistency, and roles are formally benchmarked every two years. The Remuneration Committee oversees this area on behalf of the board.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

ACHIEVEMENTS AND PERFORMANCE

Romania is home to nearly four million children but, unfortunately, many of them are still struggling with poverty, inadequate education and a lack of medical services. Although the economy is growing, the country still faces various challenges, and many people find it hard to make ends meet.

Despite some progress, Romania still has a long way to go in terms of providing support to vulnerable social groups. Poverty rates remain high compared to countries with similar income levels and inequality continues to be stubbornly high (World Bank 2024). Romania has the highest share of its population at risk of poverty or social exclusion in the European Union (Eurostat 2023), including approximately 1.5 million children (41.5% of overall) at risk, twice as high as the EU average (Eurochild 2021). Romania's multidimensional risk-of-poverty-or-social exclusion rate sits at 32.0% which is the lowest in the EU (this measures the percentage of households in a country deprived along three dimensions –monetary poverty, education, and basic infrastructure services – to capture a more complete picture of poverty) (Eurostat 2023)

Families living in poverty often lack the necessary support, leaving children at risk of dropping out of school or being placed in social service provision. In Romania 75.7% of children ages over three are in early childhood education which is well below the EU average of 94.6% (Eurostat 2023). More than 300,000 children do not complete compulsory education, and nearly 50% do not have basic literacy and numeracy skills at the age of 15 (UNICEF 2022). Leaving school early can also lead to unemployment, social exclusion and poverty. Romania has the highest rate of early school leavers within the EU, with this figure sitting at 16.8% compared to an average of 9.6% (Eurostat 2023). The level of basic skills among young Romanians is low, with consequences for competitiveness, employment and innovation potential in the country. Students are underachieving in maths, reading and sciences, at rates that are among the highest in the EU and significantly above the EU averages (European Commission, 2024).

Children with disabilities are unable to access vital life-changing therapies and education, and adults with learning disabilities also remain in institutional care. All this further exacerbates the cycle of poverty. It is known that people with disabilities are more likely to experience poverty or social exclusion. In Romania alone, there are more than 77,000 children registered with disabilities, but this number is believed to be an underestimate as many individuals remain unseen. Additionally, there are reportedly over 16,000 adults with disabilities living in social care residential centres under the social protection system (World Bank 2023). The disability employment gap sits at 44.8% the highest in the EU and significantly higher than the EU average of 24% (Eurostat 2024) with people with disabilities facing significant barriers to education, employment, and healthcare, especially in rural areas (Disability: In 2024).

Fundația FARA Services in Romania

Fundația FARA, whose programmes were funded by FARA UK during 2024, is an experienced care provider in Romania. It supports vulnerable children with or without disabilities, young people, and people with disabilities and their families is at the core of FARA's mission. Their needs, challenges, and future drive the organisation's model of impact.

To support the work that Fundația FARA carried out in 2024, FARA UK approved a net budget of Lei 15,111,224 (Stg £2,708,105) in December 2022 to fund core programmes in Romania for 2024. Additionally, it approved funding a development bursary programme of Lei 150,000 (Stg £26,882). These funds were then remitted under an annual grant funding arrangement and a memorandum of understanding / partnership agreement is in place to provide guidance. In 2024, Fundația FARA served more than 1,800 beneficiaries and demonstrated strong programmatic achievements, exceeding targets, expanding services and laying the groundwork for continued impact in the years ahead. They did this through their core programmes.

- **HOMES FOR LIFE AND OUTREACH:** Providing safe accommodation in a family type environment, psychosocial assistance, non-formal education, and socialization for adults with disabilities and working in the community supporting people with disabilities and their families.
- **THERAPY AND REHABILITATION:** Supporting children with disabilities and their parents in the therapeutic process. Helping professionals to work better with these children and support their social inclusion.
- **TACKLING POVERTY THROUGH EDUCATION:** Providing educational support, non-formal learning opportunities, psychosocial and material support, and social inclusion activities for disadvantaged and/or marginalized children, their family members and other professionals.
- **EDUCATIONAL BURSARIES:** Offering financial assistance and other support to help teenagers with educational performance and achievement.
- **A FAMILY FOR THOSE WITHOUT:** Providing residence, psychosocial assistance, non-formal education and socialization in a family-type home, St. Nicolas, in Suceava, for children and young people from the protection system, lacking parental and family support and care.
- **SOLIDARITY WITH THE UKRAINIAN REFUGEES:** Fundatia FARA created the Solidarity Team for Ukraine in 2022 to provide accommodation, essential material support and psychological assistance to the Ukrainian refugee families.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

Looking forward into 2025, FARA UK will continue to fund Fundatia FARAs work which will have a focus on strengthening all core areas of their work. While also aiming to increase beneficiary participation, enhance their visibility through improved communication efforts, diversify partnerships, and continue advocating for vulnerable populations.

Therapy and Rehabilitation

Fundatia FARA provided free access to a range of therapies for more than 250 children with disabilities from low-income families and/or families affected by poverty at their three centres: Rafael in Bucharest, Emmanuel in Suceava, and St Teresa's in Falticeni, Suceava County. These include speech and psychological treatment, physiotherapy, and creative therapies (such as art therapy, sensory, animal-assisted therapy, hydrotherapy). The work carried out across all of these aims to help the children overcome the limitations of their disability, facilitate inclusion in mainstream education, and improve their functionality at home, school, and in their community.

In 2024, more than 18,000 therapy sessions were carried out across these centres and new for this year within this programme was the piloting of respite camps.

Three respite camps were organized for 30 children and 29 parents, where they had an opportunity to learn, interact with peers, volunteers and professionals, rest and have fun in a family-type environment outside of their homes, surrounded by breathtaking nature. Lessons learned from piloting these camps showed that innovation in therapy is needed to expose children and parents to formal and informal social interactions that have a lasting impact and increase their feelings of belonging to a supportive community.

Work focused on helping parents to continue therapy at home, with specific activities organized involving family members and professionals to enhance their understanding of children's disabilities, their pace of development, and pathways for rehabilitation.

The parents are hugely appreciative of the help they receive from the programme, as the feedback below indicates.

"Since coming to this centre, there have been significant changes; he started to walk, to talk. He only said 'mama-dada' and then he started to say other words and form sentences, but only recently. Now we go to kindergarten. He is very loving, happy to come to the centre; sometimes he cries for reasons known only to him, but I know he is always happy to come here."

"He is now working on motor skills, attention, and patience. He is much more receptive; he accepts staying in one place longer; he is more compliant with tasks. There's been progress in this regard. He is cheerful in the morning when I bring him here."

Homes for Life and Outreach

This programme has two components: residential and community outreach. It is implemented in Suceava County in two communities, at St Mary's Home in Vadu Moldovei and at Casa Elizabeta in Cacica, and in Popești-Leordeni, Bucharest.

- **Residential:** The aim of this is to create a loving and supportive family life for 19 adults with disabilities who have a history of institutionalisation, are permanently deprived of family care and have a disability requiring support over their lifetimes. It provides ongoing support for the individuals living in these homes, including specialised healthcare, psychological counselling and emotional support, and creative and leisure activities
- **Community:** This work aims to reduce barriers and foster social inclusion for 63 adults with disabilities who live with their families in Vadu Moldovei and Cacica, through social interactions, non-formal education, and community awareness. This support included holding sessions on independent living, occupational therapy and providing food and other items to support daily life.

At the core of these services is providing ongoing quality and individual support tailored to specific needs of adults with disabilities to help them develop their autonomy and the ability to responsibly build an independent life in more inclusive communities.

For more than 13 years, Fundația FARA has been actively involved in the recovery and deinstitutionalization of adults with disabilities. Efforts have focused on developing tailored support services, providing welcoming homes for those without families, and strengthening caregivers. A significant aspect of their work has been advocating for the rights of people with disabilities, promoting their participation in society and their ability to live active, independent lives. Through their approach to working with individuals with disabilities, they have gained valuable insights into their needs and potential. They have used these experiences to create a model of best practices in the community, particularly through close collaborations with local authorities.

This programme has a significant impact on the lives of people with disabilities. A key part of this work and programme is introducing these adults to a variety of creative activities, drawing, colouring, and group discussions to encourage self-expression.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

After a Therapy in Nature session, one of the adults said: *"I painted something beautiful in nature. It was like I was Picasso. I liked it."*

Over the course of the year, we had two exhibitions involving 19 adults with disabilities, where they had an opportunity to exhibit their hand-made work and demonstrate their special talents. The events were well attended by the community, helping to break down barriers and build an understanding about disability.

One of the specialists working at St Mary's said: *"We offer trust, love, harmony, balance, emotional support, safety; we form a true family together with them... we give them confidence and courage."*

Reflecting on the programme, a local priest in Vadu Moldovei commented: *"I know well and closely the work the ladies from FARA do. I have the highest appreciation. I also know the beneficiaries. They are loved, well taken care of, and lack nothing. You can see they are content. They are not discouraged or frightened. Everyone is around them to help and teach them what is good. I often go to their home. When it's their house's feast day or on other occasions."*

"The atmosphere is family-like, warm, pleasant. The young people also come to church, and everyone loves them. We keep an eye on them to see them. If they don't show up, we ask what happened. We care about them."

"The work of the FARA ladies has had a special impact in our community. Seeing how beautiful their activity is, more women have been inspired; they have grown fond of children without families and have become foster parents. We now have children in about 15 families. We see them regularly. They are well taken care of and happy. These women say that they never thought about becoming foster parents and helping abandoned children and those with health issues if FARA had not offered such a beautiful example of dedication."

Tackling Poverty Through Education

This community-based programme is delivered in Baia and Preutești, two communes in Suceava County, and in Popești-Leordeni, Bucharest. It aims to prevent school drop-out, combat poverty, promote social inclusion and integration, and support growth through education, community involvement, and access to opportunities.

The programme contributes to implementing national and international policies, strategies and legislation regarding poverty reduction, promoting social inclusion, promoting and respecting the rights of children and young people, including those with disabilities, and building sustainable communities. It aims to improve wellbeing, help vulnerable individuals thrive, facilitate access to education and employment, improve quality of care, strengthen community-based services and amplify beneficiaries' voices in decisions relating to their lives.

During 2024 in Suceava, 100 kindergarten and 200 primary school-age children were supported through the after-school programme, which provided more than 36,000 hot meals and more than 3,500 hours of support with homework. More than 450 educational packages were provided and there was a 100% graduation rate for primary school students.

Within the wider community, we also provided support for families struggling with poverty. This included provision of more than 2,000 packages of food and non-food items, while more than 120 families received gardening articles and household tools. Approximately 150 educational kits were distributed to families. More than 140 people received medical help in the form of tests, consultations, and dental and eye care. Twenty sessions were run over the year on topics related to health, communication, nutrition, financial education, relationships, first aid, friendship, bullying, solidarity and empathy.

Fundația FARA's corporate partner Lenovo has continued to support the programme, with their STEM (Science, Technology, Engineering and Mathematics) educational room being used by 335 unique beneficiaries.

Parents provided the feedback below about the programme and its impact on their children's progress.

"I am very satisfied because my daughter does her homework and because she is happy. She enjoys having more time. She doesn't feel tired because she falls asleep by 8pm. She is happy to do her homework and is learning to speak correctly, to interact with other children. I am very satisfied, may God keep this programme going as long as possible, even until the 8th grade if possible. My daughter doesn't cry about not going to school, but if she misses two days of FARA, she cries. She even gets out of bed when sick to come to FARA."

"My son was with Ms. M.B., and I am very satisfied because he gets help with his homework. He gets very good things from FARA. He learns well. If he had to bring his homework home, we wouldn't manage to help him. We don't know how to assist. The homework they get is very different. We don't understand any of it. Ms. M.B. is great; she's warm, stays with them, explains correctly, and has patience and a good heart."

The Popești-Leordeni programme provided daily support for 14 people with disabilities at the day centre. Activities included group therapy, individual counselling and guidance, creative activities and recreational activities. Approximately 2,400 support packages of food and non-food items were distributed to families, who also had access to individual counselling and group discussions to help them overcome crisis and difficult situations.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

Participants in the programme offered the following reflections.

"I like to work, to be with my colleagues here in the centre, and to learn something new. Even I don't know how much I can do sometimes. But if I work every day, I manage to do something good. I'm glad that today I learned something new. I didn't think I would be able to do anything. I managed to sort out things; it really wasn't that difficult. I'm glad I succeeded."

"I felt very good. I like how the muffins turned out; I'll make them at home with my mother, too."

"I liked doing cooking activity because I was challenged to develop my ability to cut vegetables, and I am very happy that I succeed."

"I like coming here to the centre to socialize and do activities with the other young people. I feel good and at ease."

Educational Bursaries

Following its successful launch in 2023, the Fundația FARA Educational Bursaries programme expanded in 2024 to supporting 56 recipients, 30 funded by FARA UK. These were awarded to high-achieving students from disadvantaged backgrounds to support their continued education. This programme is more than just financial support; it consists of counselling, guidance, mentoring, emotional support for national exams and admission to university, support for participation in national competitions and contests, advice at the exit of the protection system and access to personal development opportunities, in addition to financial aid to maximize their chances for increased academic performance and achievement of career plans.

A sample of student feedback is highlighted here.

"I appreciate this wonderful programme because it helped me financially when I needed it most to overcome barriers and provided me with learning opportunities that helped me accumulate knowledge and develop new skills faster than I could imagine."

"Education is one of the most important stages for our development because it shapes us as people. Focus on your dream and do the best you can to succeed! The power to change your life circumstances is in our hands."

"Nobody has helped me so far, not emotionally, not morally, not financially. I believe that this programme is my chance to go beyond my limits and find ways to use my full potential through learning and education."

"This bursary is essential for my future. It is my chance to finish my high school and further my education at university level."

A FAMILY FOR THOSE WITHOUT: St Nicholas

After 27 years of activity, Fundația FARA's St Nicolas home for children closed its doors at the end of 2024. Opened in 1997, St Nicolas was Fundația FARA's first residential care facility and official programme. Alongside its sister home, St Gabriel's (1999 – 2019), St Nicolas marked the beginning of Fundația FARA as we know it today. The creation of St Nicolas and, subsequently, St Gabriel's allowed Fundația FARA to help more children than ever before by providing an independent, nurturing, loving home that was desperately needed by its beneficiaries.

Since St Nicolas and St Gabriel's opened, Romanian society has changed significantly. The development of foster care services has reduced the need for residential homes for children and switched the focus to community work.

St Gabriel's had 36 beneficiaries before it closed and, over its lifetime, St Nicolas has been home to 42 children at different times. The homes offered a true family environment where children were loved, cared for, educated, supported and encouraged to succeed in life. The children who lived at St Nicolas came from diverse and often traumatic backgrounds, including those abandoned, without families, and others removed from their parents' care.

As a result of investments in this programme and professional interventions, many children were reunified with their families, making room to support others in need. The home witnessed countless success stories. Many beneficiaries grew out of full-time care and went on to pursue higher education, enter the workforce, and live happy, independent lives. Plenty now have their own families and keep in touch with the Fundația FARA staff who helped raise them.

Regina Bulai, Associate Director of Fundația FARA, commented:

"For the young adults who have left the programme, it's like coming home to their families, they come and see us and visit us. I would share a wonderful success story of a child at St Gabriel's who was reunited with his mother 20 years ago when he was about 12. I feel his gratitude and respect when he calls me to share his achievements, happiness and feelings about his experience in our care or ask for advice, as we're still in contact at least once a month. And this is common because they feel that [FARA] family is where they found love and support and they knew that people cared about them."

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

The goal of St Nicolas was always first and foremost to provide care, love and a family to those without. The Fundatia FARA team who ran the home treated the children as their own each day, not as a technical job, thus showing their extraordinary dedication. We want to thank our incredible staff for their tireless devotion and commitment to the children in their care.

Solidarity with Ukrainian refugees

Following the outbreak of war in Ukraine in February 2022, Fundația FARA created the Solidarity Team for Ukraine to provide essential material support and psychological assistance to the Ukrainian refugees, children and families crossing the border at Vama Siret, Suceava. This work continued in 2024, although it is winding down, and scheduled to close in 2025. Fundația FARA helped a total of 60 people (24 adults and 36 children) over the course of the year. Half of these people were supported in the community in Suceava county. The others were supported with accommodation. Services included Romanian language lessons, educational activities, recreation, social activities and childcare support.

One refugee we supported said: *"Thanks to FARA we managed to bring peace to our souls... we thank you from the bottom of our hearts for every moment of peace."*

In the UK: Engagement with the FARA workforce

The FARA UK workforce has 180 full time equivalent staff. This comprises approximately 300 paid staff, 120 who are full-time with the remaining 180 operating on a part time or casual basis equivalent, along with volunteers. The charity communicates with its staff and volunteers in multiple ways, including monthly internal newsletters, email communications, the FARA intranet, the holding of regular project/team/area meetings and through the senior management team. The shops receive regular visits from the Area Managers and ad hoc visits from members of the Executive Leadership team and Trustees. All staff have a charity email address.

An annual appraisal process is conducted for all staff. It seeks to understand professional and personal development requirements and how they might use other skills and expertise to support the charity. This information is used to understand career aspirations and further enhance staff development.

E-learning is used as a means of training and development. The Training Academy continues to operate at our Islington shop, providing basic training for shop staff when someone first starts with FARA, refresher training and ad hoc training when required.

FINANCES AND RESERVES

During 2024 FARA received £27,549 (2023: £23,880) from sponsors, donations and charitable trusts.. Investment income was £437,208 (2023: £287,376) while the unrealised gains on fund investments amounted to £154,664 (2023: £183,842).

The Investment Committee again recommended the approval of an investment policy designed to produce above inflation returns over the longer term while adhering to the ethical concerns of the charity.

The contribution from trading operations decreased to £1,699,341 during the year (2023: £2,759,890). The reserves position of the charity has shifted from £11.77m in 2023 to £11.62m in 2024.

The accounting policies adopted by the charity are set out in Note 1 to the accounts.

FARA UK fundraising

2024 was a difficult year for trading following the post-COVID surge in sales that took place in 2022 and 2023, with sales 1.4% down on 2023. This enabled FARA retail shops and online operations to generate a surplus of £1,699,341 which it was able to covenant to FARA UK during 2024. This ensured that FARA UK could continue to grant fund Fundația FARA core and development programmes in 2024, only drawing on reserves of £144,737.

FARA UK Trading Operations continues to generate almost 96% of FARA UK's annual income, and the remaining 4% comes from generous regular UK givers and investment returns.

During 2024, income received from listed investments and bank deposit accounts amounted to £437,208 (2023: £287,376), reflecting an improvement in dividend yields and interest rates. At the same time, the unrealised gains made on investments amounted to £154,664 (2023: £183,842).

Income generation outside of the shops has been developed during 2024 and will continue into 2025 as part of the development of the three-year 2024-2026 strategy.

FARA FOUNDATION (LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report
for the Year Ended 31 December 2024

Plans for the future

During 2024, FARA UK's 2024-2026 strategy began to be implemented to help it to achieve its objectives over the three-year period. This looked to continue the alignment of FARA UK and its trading subsidiary to continue supporting the work in Romania, and in the UK focusing on three strategic areas.

- **Programmes:** We intend to continue supporting Fundația FARA preprogrammes to deliver services of the highest quality to help the most vulnerable children, young people, adults and families in Romania, developing our partnership to ensure it is effective, professional and sustainable and enables them to implement their three-year strategic plan.
- **Public engagement:** We will consolidate and grow the contributions from our retail operation to ensure its continued success and resilience, while also looking to diversify our income base by increasing our public profile and community engagement.
- **People:** We will cultivate a thriving and productive workforce supported by dedicated and professional governance, united under shared values, vision and mission.

FARA UK, under its Partnership Agreement with Fundația FARA, is expected to provide Fundația FARA between £2.5m-£3.0m each year over the three-year strategy period 2024-2026 to fund existing programmes (subject to the continuing need in Romania for those programmes) and new developments. Fundația FARA itself will continue to make all reasonable efforts to raise funds during that period from the public and corporations and through applying for eligible funding within Romania and in Europe.

Financial review and risks

The charity maintains and, at each Board meeting, reviews its risk register and updates it where necessary. In addition to this, the risk register is a standing item at all subcommittees and is thoroughly reviewed in detail once a year in March. We work to ensure we have adequate and appropriate controls in place and are taking any further action as required to prevent, mitigate or limit risk, while acknowledging we can't prevent all risk related events. The Board of Trustees are satisfied that this process manages and mitigates those risks.

Our risk register identifies potential risks faced by FARA UK, and looks in detail across external, compliance, financial, governance, operational and program delivery risk areas. As a grant funding organization we consider the most significant risks include the following:

- 1) The programs we fund not delivering the expected outcomes and impact in line with our charitable objectives or not being delivered safely and credibly which is mitigated by having in place a robust grant funding and partnership arrangement (memorandum of understanding) between FARA UK and Fundatia FARA together with regular senior management meetings and reporting.
- 2) A lack of sufficient number of people with the appropriate skills on the FARA UK board, which is mitigated by regular reviews of the governance structure and skills gaps.
- 3) An over-reliance on FARA UK trading activities to generate adequate profits perhaps due to a downturn in trading income, increased costs due to inflationary pressures or high staff turnover and dissatisfaction, which is mitigated by developing alternative funding streams along with good internal communications and adequate management support backed up by appropriate HR policies and practices and well-being resources.

Other lesser risks include risks of inadequate financial controls which are mitigated by robust budgetary processes and a regular review of the financial controls in place and the investment and reserves strategies not being appropriate. In the case of the Investment strategy the risk is mitigated by being regularly discussed at Investment Committee meetings held in advance of the Finance meetings and reviewed and approved by the full board annually with the reserves policy being reviewed in depth annually to ensure it is appropriate.

Reserves Policy

The position on cash reserves is reviewed ahead of each Finance and Risk Subcommittee meeting before reporting to the full FARA UK board while the reserves policy is examined annually when the financial statements are being finalised.

The crucial measure of the charity's ability to continue funding service provision in Romania is its level of liquidity cover. Accordingly, in reviewing and establishing the reserves policy and to align with the current 2024-2026 Strategy along the Partnership Agreement, the Trustees have considered the requirement to designate funds for the next three years to fund the core programmes established in Romania, a further four years for the long-term support for those who are in long-term care, and the short-term requirements for the next ten months. The funding requirements are based on the approved 2024 budget and are covered by the annual grant funding agreement agreed and signed at the end of each financial year setting out FARA UK's legal obligation to provide funding for the year.

FARA FOUNDATION (LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT
Incorporating the Strategic Report and Directors' Report

for the Year Ended 31 December 2024

FARA UK recognises two types of reserves: Restricted Funds and Unrestricted Funds.

- Restricted Funds - these are funds received for specific purposes and subject to donor-specified restrictions. No such funds were held or received during the financial year 2024.
- Unrestricted Funds - these are funds that are not subject to donor-specific restrictions and are available for the general purposes of FARA UK. Unrestricted funds are classified as designated funds or General Reserves in line with the General Reserves Policy as approved by the Trustees.

General Reserves Policy

General Reserves are the portion of the unrestricted funds remaining once the Trustees have set aside any amounts as designated funds (see below).

The board of FARA agreed to the General Reserves Policy. This policy requires FARA to hold general reserves of approximately ten months of grant funding for the programmes in Romania at any time within the year. In 2025 this amounts to £2,175,864 of General Reserves. The Trustees judged this level of reserves was appropriate to:

- be resilient to financial shocks and ensure retail operations can continue in the short term if income is significantly restricted for a short period of time; and
- ensure charitable income is spent in a timely manner whilst balancing the need for resilience.

General Reserves

General reserves are not restricted to, set aside, or designated for a particular purpose. On 31st December 2024, General Reserves were £2,629,740, within the target range of ten months of net grant funding required by Fundația FARA to fund the current programmes for one year.

Designated Funds

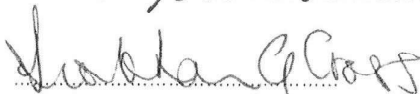
Designated funds are those unrestricted funds that have been allocated at the Trustees' discretion for particular purposes. Under the Partnership Agreement, the Trustees and Fundația FARA agreed that FARA UK should hold three years of grant funding based on the Fundația FARA 2025 annual net budget as a designated fund to assure FARA UK's commitment to continuity of funding to Fundația FARA on a rolling three-year basis. On 9th December 2024, the general budget of £2,555,336 (Lei 14,054,346) was approved by the board of FARA UK, allowing the board to allocate three years of that net spend to designated reserves a total of £7,666,007. The Trustees have also designated funding of £1,325,400 to be set aside to fund the two Homes for Life for four years beyond the current 2025-2027 three-year funding cycle.

Investment Policy

The charity continues to invest its surplus reserves in a mix of high and low risk investments, bonds and cash deposits and those investments adhere to its ESG commitments. This policy is designed to ensure higher than average growth, with associated high-risk, over a 5-to-10-year time horizon. This is underpinned by the judgement that the charity would be unlikely to need these funds in the short term and that the charity, therefore, needed some investments directed to higher growth and with higher risk for the longer-term needs. FARA UK continues to have holdings in low-risk funds set up expressly to meet the requirements of charities. These funds track the UK stock and bond market.

The value of FARA UK investments stood at a little over £6.57m as of 31st December 2024 (2023: £6.79m).

The Annual report incorporating the Strategic report and Director's report has been approved by the Board of Trustees on 7 July 2025 and signed on their behalf by:-



Ms S G Cross – Chair of Trustees

Dated: 7 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARA FOUNDATION (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of FARA Foundation (Limited by Guarantee) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report and Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the Strategic Report and Directors' Report prepared for the purposes of company law) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (incorporating the Strategic Report and Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees'/directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARA FOUNDATION (LIMITED BY GUARANTEE)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of Company Law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

- > Enquiring of management concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- > Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- > Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on operations.

The key laws and regulations we considered in this context included the UK Companies Act 2006 and the accounting standard. The engagement team is familiar with these and has resources available to support the review. Other relevant laws and regulations are those concerned with the retail activity of the company, for which the management's assumptions and decisions were reviewed.

Due to the differences in the activities between the various components of the group, these were reviewed individually for each component.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. To address the risk of fraud in these areas, we:

- > reviewed all material estimates affecting income, including recoverability of debtors and completeness and accuracy of deferred and accrued income;
- > selected a sample of transactions from material income streams and compared expected income to that recorded within the financial statements;
- > performed analytical procedures to identify any unusual or unexpected relationships;
- > tested journal entries during the year and at the year-end to identify unusual transactions;
- > assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; investigated the rationale behind significant or unusual transactions;
- > Reviewed minutes of meetings of those charged with governance and obtained an understanding of Risk Assessments and Policies introduced by management;
- > Compared results of estimates previously made to actual outcomes to consider if there were indications of misstatement due to bias, including but not limited to dilapidations provisioning.

The procedures carried out which relate to detecting errors in the application of the laws and regulations are thought to be capable of detecting, and advising the correction of, any material irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARA FOUNDATION (LIMITED BY GUARANTEE)

Misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. However, audit procedures were designed to account for the management override of controls being considered a high risk.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lisa Wilson FCA (Senior Statutory Auditor)
For and on behalf of Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 15/07/2025

Rothmans Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Rothmans Audit LLP is a limited liability partnership registered in England and Wales (registered number OC426200)

FARA FOUNDATION (LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 December 2024

	Notes	2024 (Total) Unrestricted Funds £	2023 (Total) Unrestricted Funds £
INCOME			
Donations and legacies:			
Donations and other voluntary income		27,549	23,880
Income from other trading activities			
Retail income	3	11,992,925	12,364,119
Property management charges		-	1,400
Investment income	4	437,208	287,376
TOTAL INCOME		<u>12,457,682</u>	<u>12,676,775</u>
EXPENDITURE			
Costs of raising funds:			
Retail costs	3	10,432,205	9,498,620
Portfolio management		29,714	18,884
Expenditure on charitable activities:			
Provision of Funding for Child, Youth, Adult Care & Educational Services	6	2,295,164	2,693,536
TOTAL EXPENDITURE		<u>12,757,083</u>	<u>12,211,040</u>
Net income / (expenditure) for the year before gains and losses		(299,401)	465,735
Net gains / (losses) on revaluation of fixed asset investments		-	-
Net gains / (losses) on investments		154,664	183,842
NET INCOME / (EXPENDITURE) FOR THE YEAR		<u>(144,737)</u>	<u>649,577</u>
Reconciliation of funds:			
TOTAL FUNDS BROUGHT FORWARD		11,765,885	11,116,308
NET MOVEMENT OF FUNDS FOR THE YEAR		(144,737)	649,577
TOTAL FUNDS CARRIED FORWARD		<u><u>11,621,148</u></u>	<u><u>11,765,885</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the 12 month period. All amounts relate to continuing activities. The notes on pages 20 to 32 form part of these financial statements.

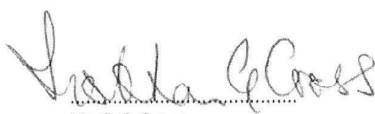
FARA FOUNDATION (LIMITED BY GUARANTEE)


CONSOLIDATED BALANCE SHEET
As at 31 December 2024

	Notes	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
FIXED ASSETS					
Tangible assets	10	203,670	5,652	198,220	12,463
Investments	11	6,568,117	6,653,117	6,794,046	6,879,049
DEBTORS: Due after one year	12	7,684	7,684	43,824	43,824
CURRENT ASSETS					
Debtors	12	1,101,693	622,055	1,249,810	955,831
Stock		-	-	60,980	-
Cash at bank and in hand		1,377,533	1,295,101	2,657,234	2,423,153
Investments	13	3,665,384	3,665,384	1,934,333	1,934,333
		<u>6,144,610</u>	<u>5,582,540</u>	<u>5,902,357</u>	<u>5,313,317</u>
Less: CURRENT LIABILITIES					
Creditors: Due within one year	14	424,400	66,097	483,334	30,652
NET CURRENT ASSETS		<u>5,720,210</u>	<u>5,516,443</u>	<u>5,419,023</u>	<u>5,282,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,499,681</u>	<u>12,182,896</u>	<u>12,455,113</u>	<u>12,218,001</u>
Less: PROVISIONS FOR LIABILITIES	16	878,533	491,258	689,228	379,925
NET ASSETS		<u>11,621,148</u>	<u>11,691,638</u>	<u>11,765,885</u>	<u>11,838,076</u>
FUNDS					
Unrestricted Income Funds					
Designated funds		8,991,408	8,991,408	9,889,749	9,889,749
General funds		2,629,740	2,700,230	1,876,136	1,948,327
TOTAL UNRESTRICTED INCOME FUNDS	17	<u>11,621,148</u>	<u>11,691,638</u>	<u>11,765,885</u>	<u>11,838,076</u>

The notes on pages 21 to 33 form part of these financial statements. No charity Statement of Financial Activities is presented as permitted by section 408 of the Companies Act 2006. The charity's deficit for the financial period is £146,437.

Approved by the Board of Trustees on 7 July 2025 and signed on their behalf by:-


Ms S G Cross
Chairman


Mr R Davidson
Trustee

FARA FOUNDATION (LIMITED BY GUARANTEE)

GROUP CASH FLOW STATEMENT
For the Year Ended 31 December 2024

	2024 £	2023 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (Note A)	<u>(237,567)</u>	<u>(410,829)</u>
Cash flows from investing activities:		
Additions of tangible fixed assets	(101,979)	(102,393)
Proceeds of sale of tangible fixed assets	-	423,449
Purchase of investments	575,187	(1,124,818)
Movement in current asset investments	(1,731,051)	(506,304)
Sale of investments	-	-
Dividends retained within cash portfolio	-	-
Interest received	215,709	101,662
Net cash provided by/(used in) investing activities	<u>(1,042,134)</u>	<u>(1,208,404)</u>
Change in cash and cash equivalents in the reporting period	<u>(1,279,701)</u>	<u>(1,619,233)</u>
Cash and cash equivalents at the beginning of the reporting period	2,657,234	4,276,467
Cash and cash equivalents at the end of the reporting period	<u><u>1,377,533</u></u>	<u><u>2,657,234</u></u>
Note A		
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period per the SOFA	(144,737)	649,595
Net losses/(gains) on revaluation of fixed assets	-	-
Depreciation	58,930	84,057
Loss/(gain) on sale of fixed asset	37,595	22,377
Net losses/(gains) on investments	(154,664)	(183,842)
Fees charged retained within portfolio	26,906	22,544
Cash interest received	(215,709)	(101,662)
Investment income reinvested	(221,499)	(185,714)
Movement in provisions	189,305	(36,124)
Movement in stock	(60,980)	60,980
Movement in debtors	306,219	(746,994)
Movement in creditors	(58,933)	3,954
Net cash provided by/(used in) operating activities	<u><u>(237,567)</u></u>	<u><u>(410,829)</u></u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2024

1. ACCOUNTING POLICIES

The following are the main accounting policies adopted by the Charity:-

Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the 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 (FRS102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS102. The charity has prepared the financial statements in compliance with the Charity's governing documents and in accordance with the following accounting policies. All monetary values are calculated under the historic cost convention, as modified by the revaluation of investments.

Going concern

The Trustees have not identified any material uncertainties and are not aware of any specific or general event that would place significant doubt on the charity's ability to continue as a going concern. The Trustees' forecasts and ongoing assessment of operations, activities and reserves forms the basis of their assessment of going concern, which covers a period of at least twelve months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting has been adopted in preparing these financial statements.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, FARA Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Significant Estimates and Judgements

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 certain entities are controlled or not. These decisions are based on several factors including, but not limited to; the percentage of share capital owned and the number of directors the company is able to appoint to the board of any subsidiaries or associated entities.
- Management determine whether or not a dilapidations provision is required. Management determine whether the entity has a probable obligation to pay for property repairs at the end of a lease term, and if this can be reliably calculated. The judgement made by management is based on terms in individual lease agreements and historic costs paid on the termination of similar lease agreements.
- Management determine whether leases entered into by the charity 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.
- To determine the expected dilapidations cost to be incurred on the termination of a lease contract management base their estimates off historic dilapidation costs for similar lease agreements, calculating an average cost per square metre and factoring in the rate of inflation since the historic costs were paid.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

1. ACCOUNTING POLICIES (Continued...)

Income

All incoming resources are included in the Statement of Financial Activities when the Group is legally entitled to the income, the receipt of such income is probable, and the amount can be measured with sufficient accuracy.

Donations and other voluntary income represents donations and is recognised when the charity is entitled to receive the donation.

Shops income generated by the charity's trading subsidiary is included under Retail Income and accounted for on an accruals basis. Gifts donated for resale in the charity shops are reported as income once the goods are sold and associated Gift Aid income is estimated and accrued based upon the point of sale.

No amounts are included in the financial statements for services donated by volunteers.

No grants have been recognised either in the year under review or the preceding year.

Investment income represents interest from cash held and income from listed investments. Interest receivable is recognised on an accruals basis and dividend and other investment income is recognised upon receipt.

Expenditure

Expenditure is recognised on an accruals basis. Costs are allocated to the cost of raising funds and expenditure on charitable activities on the basis of direct allocation together with an allocation of support costs. Support costs are of a more general nature and include those functions that assist the work of the charity but do not directly undertake charitable activities, including charity back office costs, financial costs and governance costs incurred in governing the Charity's assets, primarily associated with constitutional and statutory requirements of operating the Charity. Support costs are analysed more fully with the basis of allocation detailed in note 7.

Costs of raising funds comprise costs incurred in attracting voluntary income together with undertaking trading activities in the subsidiary company to raise funds and costs incurred in managing the charity's investment portfolio to generate a return on investment.

Retail costs do not include any valuation of goods donated for resale, and no stock is recognised on the balance sheet relating to donated goods, as permitted by the SORP FRS 102.

Grants payable are payments made to Fundatia FARA in the furtherance of the charitable objects of the charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the charity.

Funds

Unrestricted (General) Funds represent general reserves of accumulated unrestricted surpluses and deficits after transfers between funds. If such funds have been specifically earmarked for a particular project or use by the Trustees, the funds are denoted as Designated Funds. Restricted funds are set aside and used in accordance with the conditions stipulated by the donor. At the reporting date, the charity held no restricted funds.

Taxation

The company is a charity within the meaning of Part 1 of Schedule 6 to the Finance Act 2010. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the periods under review. The subsidiaries' corporation tax charges on profit on ordinary activities for the year amounted to £nil (2023: £nil).

Irrecoverable VAT is charged to the Statement of Financial Activities when incurred and is included within the expenditure category to which it relates.

Tax recovered from voluntary income received under Gift Aid is recognised when the related income is considered receivable and is allocated to the income category to which it relates. The subsidiary company, FARA Enterprises Limited, has a Deed of Covenant in place with the parent Charity to covenant their annual profits to the Charity under Gift Aid rules.

FARA FOUNDATION (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024**

1. ACCOUNTING POLICIES (Continued...)

Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation, with the exception of freehold land and buildings which is detailed below. Tangible fixed assets are reviewed annually for indicators of any 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.

Depreciation on assets held at cost less depreciation is charged as to allocate the cost of assets less their residual value over their estimated useful lives. Depreciation rates range as follows:-

Leasehold land and buildings	-	Over the term of the lease
Fixtures and fittings	-	33% on reducing balance
Motor vehicles	-	25% on reducing balance
Website	-	Straight line over 3 years

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 the last reporting date.

Stocks

Donated items of stock for resale or distribution are not included in the financial statements as permitted by the SORP FRS 102. Stock within the balance sheet is that of consumables held for distribution at no consideration or nominal consideration and has been valued at cost as permitted by the SORP FRS 102.

Cash and cash equivalents

Cash and short-term deposits included in the Statement of Financial Position comprise cash in hand and short-term deposits with an original maturity of three months or less.

Current asset investments

Current asset investments comprises of savings with an original maturity of more than three months but less than one year.

Fixed asset investments

Investments are shown at market value where there is readily identifiable market value. Unlisted shares, where there is no readily identifiable market value, are recorded at cost or a nominal amount.

Investments are revalued at the Balance Sheet date so that when investments are sold, gains or losses which arose before the previous year end have already been recognised. Movements in value arising from investment changes or revaluation, together with profits on disposal of investments, have been recognised in the Statement of Financial Activities.

Foreign currency transactions

The functional currency of the charity is Sterling which is also the presentational currency. Transactions involving foreign currencies are translated into sterling equivalents using rates of exchange prevailing at the transaction date. Assets and liabilities held in foreign currency at the balance sheet date are valued at the rate prevailing at that date. Differences on exchange are taken to the Statement of Financial Activities.

Pension costs

The group makes contributions into a recognised UK defined contribution scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Operating leases

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities 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 FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2024

1. ACCOUNTING POLICIES (Continued...)

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, calculated by reference to average dilapidations costs per square foot for properties recently vacated by the group. Expectations of discounted liabilities 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.

Debtors

Debtors receivable within one year or upon demand are recorded at transaction price whether or not a rate of interest is charged on the balance. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions within one year or upon demand are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity 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.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

3. RETAIL ACTIVITIES IN GENERATING FUNDS

2024	FARA Foundation £	FARA Enterprises £	Total 2024 £
Retail income (shop sales)	4,431,660	7,561,265	11,992,925
Retail expenditure (shop costs)	(4,566,319)	(5,865,886)	(10,432,205)
Support costs	(5,628)	(9,603)	(15,231)
Net funds generated from retail activities	<u>(140,287)</u>	<u>1,685,776</u>	<u>1,545,489</u>
2023	FARA Foundation £	FARA Enterprises £	Total 2023 £
Retail income (shop sales)	5,219,763	7,144,356	12,364,119
Retail expenditure (shop costs)	(5,126,071)	(4,372,549)	(9,498,620)
Support costs	(5,564)	(7,615)	(13,179)
Net funds generated from retail activities	<u>127,861</u>	<u>2,806,757</u>	<u>2,934,619</u>

Retail income includes donations from supporters and the Gift Aid which has been claimed from the proceeds arising on the sale of the donor's goods through the shops of FARA Enterprises Limited.

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

4. INVESTMENT INCOME

	Total 2024 £	Total 2023 £
Income from listed investments (reinvested)	221,499	185,714
Interest from cash held	215,709	101,662
Total investment income	<u>437,208</u>	<u>287,376</u>

5. GRANTS PAYABLE

The charity is a grant-making organisation, as more fully outlined in the Trustees' Report. Grants payable to Fundatia FARA in accordance with the charity's grant-making policy were as follows during the year:

	2024 £	2023 £
Child, youth and adult care	2,086,460	2,382,850
Total grants payable	<u>2,086,460</u>	<u>2,382,850</u>

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

2024	Grant funding £	Support costs £	Total £
Grants Payable			
Child, youth and social care	2,086,460	193,471	2,279,931
Total expenditure on charitable activities	<u>2,086,460</u>	<u>193,471</u>	<u>2,279,931</u>
2023	Grant funding £	Support costs £	Total £
Grants Payable			
Child, youth and social care	2,382,850	297,507	2,680,357
Total expenditure on charitable activities	<u>2,382,850</u>	<u>297,507</u>	<u>2,680,357</u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

7. ANALYSIS OF SUPPORT COSTS

2024

	Charity admin £	Charity staff costs £	Govern- ance £	Finance costs £	Depreci- ation & loss on disposal £	Total £
Grants Payable:						
Child, youth and social care	31,443	152,994	8,298	(2,311)	3,047	193,471
Raising funds:						
Shops' costs	-	-	15,231	-	-	15,231
Total	<u>31,443</u>	<u>152,994</u>	<u>23,529</u>	<u>(2,311)</u>	<u>3,047</u>	<u>208,702</u>

2023

	Charity admin £	Charity staff costs £	Govern- ance £	Finance costs £	Depreci- ation & loss on disposal £	Total £
Grants Payable:						
Child, youth and social care	39,312	186,999	25,771	8,889	36,536	297,507
Raising funds:						
Shops' costs	-	-	13,179	-	-	13,179
Total	<u>39,312</u>	<u>186,999</u>	<u>38,950</u>	<u>8,889</u>	<u>36,536</u>	<u>310,686</u>

Support costs are charity head office costs which are allocated as follows:

Support costs	Allocation
Charity admin	Allocated on cost within FARA Foundation
Charity staff costs	Allocated on cost within FARA Foundation
Governance	Allocated on cost within FARA Foundation and FARA Enterprises
Finance costs	Allocated on cost within FARA Foundation
Depreciation	Allocated on cost within FARA Foundation

Governance costs include audit and accountancy fees of £21,278 (2023: £24,902) and legal fees of £2,251 (2023: £14,048).

8. EXPENDITURE

Total resources expended for the year is stated after charging:

	Total 2024 £	Total 2023 £
Operating lease rentals (land and buildings)	1,687,159	1,727,919
Depreciation charges for the year	58,931	84,058
Auditor's remuneration	14,574	15,812
Non-audit compliance services	6,704	9,090
	<u>1,767,368</u>	<u>1,836,879</u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

9. STAFF AND TRUSTEE INFORMATION

2024	FARA Foundation £	FARA Enterprises £	Total 2024 £
Staff costs			
Salaries	123,895	6,151,162	6,275,057
Social security	14,482	531,472	545,954
Pensions	9,426	126,389	135,815
Total	147,803	6,809,023	6,956,826
2023	FARA Foundation £	FARA Enterprises £	Total 2023 £
Staff costs			
Salaries	107,635	5,598,622	5,706,257
Social security	11,798	474,095	485,893
Pensions	2,278	121,328	123,606
Total	121,710	6,194,046	6,315,756

The average number of staff employed under contracts of service during the period for FARA Enterprises Limited was 280 (2023: 279). The number of staff employed for FARA Foundation (Limited by Guarantee) was 2 (2023: 2).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	2
£90,001 - £100,000	3	-
Total	7	4

During the period expenses totalling £3,163 were reimbursed to three Trustees (2023: £2,065 to two Trustees) in relation to travel costs to Romania and office expenditure. No remuneration was paid to the Trustees in the period.

The key management personnel of the parent charity comprise the Trustees and the Chief Executive Officer. The total employee benefits of the Charity's key management personnel were £94,860 (2023: £94,111). The key management personnel of the group comprise those of the parent charity and the key management personnel of its wholly owned subsidiary, FARA Enterprises Limited.

The key management personnel of FARA Enterprises Limited are the executive and non-executive Directors whose employee benefits total £434,909 (2023: £329,038). The employee benefits of key management personnel for the group were therefore £529,769 (2023: £423,149).

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

10. TANGIBLE FIXED ASSETS

GROUP 2024	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Website £	Total £
Cost or valuation						
At 1 January 2024	-	82,540	1,141,263	22,960	66,466	1,313,229
Additions	-	38,104	63,875	-	-	101,979
Disposals	-	(10,311)	(203,719)	-	-	(214,030)
Revaluation	-	-	-	-	-	-
At 31 December 2024	-	110,333	1,001,419	22,960	66,466	1,201,178
Depreciation						
At 1 January 2024	-	66,241	962,407	19,895	66,466	1,115,009
Charge for the year	-	7,764	50,401	766	-	58,931
Eliminated on disposal	-	(6,547)	(169,887)	-	-	(176,434)
At 31 December 2024	-	67,458	842,921	20,661	66,466	997,506
Net book values						
At 31 December 2024	-	42,875	158,498	2,299	-	203,672
At 31 December 2023	-	16,299	178,856	3,065	-	198,220

Short leasehold assets held by the parent charity have a net book value of £5,652 (2023: £12,463). These were acquired at a cost of £27,802, and had brought forward accumulated depreciation of £15,339, and depreciation of £3,047 was charged during the year.

Website assets owned by the parent charity were acquired at a cost of £49,709 and had brought forward accumulated depreciation of £49,709, with depreciation of £nil charged during the year, leaving a carrying value of £nil in the books of the parent charity at the year end.

11. FIXED ASSET INVESTMENTS

GROUP	Unlisted Investments 2024 £	Listed Investments 2024 £	Total 2024 £	Total 2023 £
MARKET VALUE				
As at 1 January 2024	578,196	6,215,851	6,794,047	5,322,217
Purchase of investments at cost	-	-	-	1,124,818
Income reinvested	-	221,499	221,499	185,714
Disposal of investments	(578,196)	(26,704)	(604,900)	(18,884)
Net investment gain/(losses)	-	157,472	157,472	180,182
As at 31 December 2024	-	6,568,118	6,568,118	6,794,047

Listed investments include overseas investments of £2,077,535 (2023: £2,197,520). No shareholdings of over 5% were held by FARA Foundation in any one company whose shares are included in the above portfolio.

The cash reserves of the Charity continue to be considered an integral part of the charity's overall investment portfolio and the Trustees keep the investment policy under regular review to ensure the equity investments will not need to be encashed in the short term.

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

11. FIXED ASSET INVESTMENTS (Continued...)

CHARITY	Unlisted Investments 2024 £	Listed Investments 2024 £	Total 2024 £	Total 2023 £
MARKET VALUE				
As at 1 January 2024	663,198	6,215,851	6,879,049	5,370,791
Purchase of investments at cost	-	-	-	1,124,817
Income reinvested	-	221,499	221,499	185,714
Disposal of investments	(578,198)	(26,704)	(604,902)	(18,884)
Reversal of impairment in investments	-	-	-	36,429
Net investment gain/(losses)	-	157,472	157,472	180,182
As at 31 December 2024	<u>85,000</u>	<u>6,568,118</u>	<u>6,653,118</u>	<u>6,879,049</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

The Charity owns 100% of the 5,000 (2023: 5,000) issued ordinary shares of FARA Enterprises Limited, a company incorporated on 16 March 1992 (number 02697467).

The principal activity of this company is the sale of donated goods through a chain of Charity shops for the purpose of making charitable donations to FARA Foundation (Limited by Guarantee). The company's net assets as at 31 December 2024 amount to £14,511 (2023: £14,511).

12. DEBTORS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Amounts falling due within one year:				
Trade debtors	5,803	-	28,536	-
Other debtors and prepayments	1,103,574	629,739	934,137	812,883
Amounts owed by group undertakings	-	-	-	142,948
	<u>1,109,377</u>	<u>629,739</u>	<u>962,673</u>	<u>955,831</u>
Amounts falling due after one year:				
Rental deposits	7,684	7,684	43,824	43,824
	<u>7,684</u>	<u>7,684</u>	<u>43,824</u>	<u>43,824</u>

At the balance sheet date FARA Enterprises Limited was owed £43,255 by the Charity. In 2023 FARA Enterprises Limited owed the Charity £142,948.

13. CURRENT ASSET INVESTMENTS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Deposit accounts	3,665,384	3,665,384	1,934,333	1,934,333
	<u>3,665,384</u>	<u>3,665,384</u>	<u>1,934,333</u>	<u>1,934,333</u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

14. CREDITORS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Amounts falling due within one year:				
Trade creditors	122,171	-	181,632	-
Taxation and social security	127,789	-	118,646	-
Other creditors and accruals	174,440	22,842	183,056	30,652
Amounts owed to group undertakings	-	43,255	-	-
	<u>424,400</u>	<u>66,097</u>	<u>483,334</u>	<u>30,652</u>

15. PENSION COMMITMENTS

At the balance sheet date, unpaid pension contributions within FARA Enterprises Limited amounted to £25,832 (2023: £23,747). This amount is included in other creditors.

16. PROVISIONS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
As at 1 January 2024	689,228	379,925	725,352	262,933
Arising in the year	189,305	111,333	(36,124)	116,992
As at 31 December 2024	<u>878,533</u>	<u>491,258</u>	<u>689,228</u>	<u>379,925</u>

Provisions are for dilapidations arising where property leases oblige the group to cover the cost of restoring retail and office properties to their original condition when ending its occupation as those leases terminate.

17. ANALYSIS OF GROUP CHARITABLE FUNDS

2024	At 1 January 2024 £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfers between funds £	At 31 December 2024 £
Unrestricted funds						
Designated funds	9,889,749	-	-	-	(898,341)	8,991,408
General funds	1,876,136	12,457,682	(12,757,083)	154,664	898,341	2,629,740
	<u>11,765,885</u>	<u>12,457,682</u>	<u>(12,757,083)</u>	<u>154,664</u>	<u>-</u>	<u>11,621,148</u>
2023	At 1 January 2023 £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfers between funds £	At 31 December 2023 £
Unrestricted funds						
Designated funds	9,398,711	-	-	-	491,038	9,889,749
General funds	1,717,597	12,676,775	(12,211,040)	183,842	(491,038)	1,876,136
	<u>11,116,308</u>	<u>12,676,775</u>	<u>(12,211,040)</u>	<u>183,842</u>	<u>-</u>	<u>11,765,885</u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

17. ANALYSIS OF GROUP CHARITABLE FUNDS (Continued...)

Designated funds represent unrestricted funds that have been allocated at the Trustees' discretion for particular purposes. The designated funds include three years of grant funding based on the Fundatia FARA 2024 annual net budget equalling £7,666,007 as well as £1,325,401 to fund the 2 Homes for Life for four years beyond the current three-year funding cycle.

All assets and liabilities relate solely to unrestricted funds.

18. LEASING AGREEMENTS

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

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Within one year	1,505,360	1,015,622	1,599,798	1,035,098
Between one and five years	3,588,685	2,465,964	3,378,477	2,951,511
After more than five years	461,792	460,458	758,500	758,500
	<u>5,555,837</u>	<u>3,942,044</u>	<u>5,736,775</u>	<u>4,745,109</u>

19. TRADING SUBSIDIARIES

The Charity owns 100% of the 5,000 (2023: 5,000) issued ordinary shares of FARA Enterprises Limited, a company incorporated on 16 March 1992 (number 02697467).

The principal activity of this company is the sale of donated goods through a chain of Charity shops for the purpose of donating its profits to FARA Foundation.

The Charity also owned 100% of the 2 issued ordinary shares of FARA Properties Limited (number 03542825), a company incorporated on 2 April 1998 and dissolved on 26 November 2024.

The assets, liabilities and trading results of FARA Enterprises Limited and FARA Properties Limited are provided below:

2024	FARA Properties Limited (Dissolved) £	FARA Enterprises Limited £	Total 2024 £
Assets and liabilities			
Tangible fixed assets	-	198,018	198,018
Debtors	-	522,894	522,894
Cash at bank and in hand	-	82,432	82,432
Creditors:			
Amounts falling due within one year	-	(401,558)	(401,558)
Amounts falling due after one year	-	-	-
Provision for liabilities	-	(387,274)	(387,274)
Net assets	<u>-</u>	<u>14,512</u>	<u>14,512</u>
Capital and reserves			
Called up share capital	-	5,000	5,000
Other reserves	-	-	-
Retained earnings	-	9,511	9,511
Net assets	<u>-</u>	<u>14,511</u>	<u>14,511</u>

FARA FOUNDATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

19. TRADING SUBSIDIARIES (Continued...)

2024	FARA Properties Limited (Dissolved) £	FARA Enterprises Limited £	Total 2024 £
Trading results			
Turnover	-	10,863,519	10,863,519
Other income	-	112,318	112,318
Total incoming resources	-	10,975,837	10,975,837
Cost of sales	-	(9,286,265)	(9,286,265)
Administration and overheads	(1,700)	(9,769)	(11,469)
Revaluation of investment property	-	-	-
Net incoming resources	(1,700)	1,679,803	1,678,103
Donation to FARA Foundation	-	(1,699,341)	(1,699,341)
Net movement in shareholders' funds	(1,700)	(19,538)	(21,238)
2023	FARA Properties Limited £	FARA Enterprises Limited £	Total 2023 £
Assets and liabilities			
Tangible fixed assets	-	185,757	185,757
Debtors	-	497,906	497,906
Cash at bank and in hand	-	234,081	234,081
Creditors:			
Amounts falling due within one year	(1,700)	(593,930)	(595,630)
Amounts falling due after one year	-	-	-
Provision for liabilities	-	(309,303)	(309,303)
Net assets	(1,700)	14,511	12,811
Capital and reserves			
Called up share capital	2	5,000	5,002
Other reserves	-	-	-
Retained earnings	(1,702)	9,511	7,809
Net assets	(1,700)	14,511	12,811
2023	FARA Properties Limited £	FARA Enterprises Limited £	Total 2023 £
Trading results			
Turnover	16,650	11,069,126	11,085,776
Other income	-	95,463	95,463
Total incoming resources	16,650	11,164,589	11,181,239
Cost of sales	-	8,421,519	8,421,519
Administration and overheads	(46,972)	(16,821)	(63,793)
Revaluation of investment property	-	-	-
Net incoming resources	(30,322)	19,569,287	19,538,965
Donation to FARA Foundation	-	(2,759,890)	(2,759,890)
Net movement in shareholders' funds	(30,322)	16,809,397	16,779,075

FARA FOUNDATION (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024**

20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

At 31 December 2024 and 31 December 2023 there were no contingent liabilities or capital commitments arising for the group.

21. RELATED PARTY TRANSACTIONS

During the year, FARA Enterprises Limited made transfers under Gift Aid of their trading profits amounting to £1,699,341 (2023: £2,759,890). FARA Properties Limited did not make any transfers under Gift Aid in the year ended 31 December 2024 (2023: £nil), and was dissolved on 26 November 2024.

Costs recharged by FARA Enterprises Limited for the use of the charity shops in connection with the Retail Gift Aid Scheme amounted to £3,420,379 (2023: £4,026,764).

At the reporting date, the charity owed amounts to its subsidiary undertakings, the details of which are reported more fully in note 12.

During the year Mrs J Nicholson, the founder and former trustee of FARA Foundation (Limited by Guarantee) received rent totalling £1,600 (2023: £1,210). The rent charged is below market rate.

During the period expenses totalling £7,210 (2023: £1,601) were reimbursed to three (2023: two) key management personnel, who were not serving as Trustees, in relation to travel costs to Romania.

22. DISSOLUTION OF SUBSIDIARY

During the year, FARA Properties Limited was dissolved. In the parent entity this was treated as a disposal of a subsidiary. Net consideration recognised on completion of the disposal was £nil. No cash or cash equivalents were held in the subsidiary at the date of dissolution, and the subsidiaries net liabilities at the date of dissolution was (£1,700). The investment in the subsidiary was £2 therefore resulting in a net loss on disposal of £1,702 recognised in the parent's accounts.