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FARA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Principal Office:-
2nd Floor
Suite 1
8 Waldegrave Road
Teddington
England
TW11 8GT

Tel: 02089 730910
Website: www.FARACharity.org

Registered Charity No: 1139349
Registered Company No: 07432706

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FARA FOUNDATION (LIMITED BY GUARANTEE)

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for the Year Ended 31 December 2025

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FARA FOUNDATION (LIMITED BY GUARANTEE)

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

for the Year Ended 31 December 2025

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)
Mrs S G Cross (Chair)
Dr Y S H Johnson (Vice Chair)
Mr R Davidson (Treasurer)
Mrs L J Dawson
Mrs E H A Middleton
Mr R H C Chalk
Ms K Bendell (appointed 07/07/2025)
Ms S D M Braun (appointed 01/01/2026)
Mr P J Gunaratnam (appointed 01/01/2026)
Ms M E Bonner (appointed 06/01/2026)
Mrs Kathryn Higgins (resigned 01/08/2025)
Mr Richard Lynas (resigned 28/08/2025)
Mr Philip Groves(resigned 31/12/2025)

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 (resigned 31/12/2025)
Ms E H A Middleton
Mr R Davidson
Ms E Gordon

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Banks
Barclays Bank PLC
Santander UK PLC
Flagstone Group Ltd

Solicitors and legal advisors
Just Employment Law – Employment
Field Seymour Parkes – Property
Wedlake Bell – UK Charity Law Solicitors
MPR Partners -Romanian Law Advisors

Other advisors
Shield Safety – Health & Safety
Charity Intelligence - Investments

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.

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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 2025 have benefited the public, either directly or indirectly.

ON BEHALF OF THE BOARD:

Signed by:
Siobhan Cross
51D08073EDF64DF...
Ms S G Cross - Trustee

Date: 27/08/2026

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STATEMENT FROM THE CHAIR OF THE BOARD OF TRUSTEES

In 2025, the FARA Foundation operated in a world marked by economic pressures, general uncertainty and rising demand for support. Against this backdrop, the charity's role, connecting generosity in the UK to life-changing impact in Romania, has never been more important. 33.8% of Romanian children (c 1.25million) were at risk of poverty or social exclusion, the third highest rate in the EU and nearly ten percentage points above the EU average of 24.2% (Eurostat May 2025).

Our shops continue to serve not only as places of trade, but also as visible expressions of shared purpose, sustainability and community connection.

As trustees, we are acutely aware of the challenges facing the charity retail sector. Rising costs outside of our control, and changes in donor behaviour have placed sustained pressure on trading performance. That we have remained resilient in this environment is a testament to the dedication of its staff and volunteers.

In 2025, the work supported by this effort meant that funding from the FARA Foundation enabled Fundatia FARA to support more than 1,160 individuals and 654 families across Romania through education, therapy, supported living, and community outreach. These programmes address some of the most entrenched inequalities in Romania, particularly for children living in poverty and people with disabilities who remain excluded from mainstream services. With that in mind, I am very pleased to see that the outreach and family engagement work we fund has grown over recent years, demonstrating strong community impact. In the UK, the Board remains committed to ensuring that the FARA Foundation is well-governed, financially responsible, and focused on public benefit. We continue to work closely with the executive team, while maintaining clear oversight and accountability, to ensure the charity is well placed to meet future challenges and opportunities.

On behalf of the trustees, I would like to thank everyone who contributes to FARA's mission - our staff, volunteers, donors, and shoppers. I would also like to thank my fellow Trustees for all their time and support. Your commitment enables change that is practical and profound, and it is a privilege to support this work.

Siobhan Cross
Chair of the Board of Trustees, FARA Foundation

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STATEMENT FROM THE CHIEF EXECUTIVE

2025 was a year that tested our organisation operationally while also reinforcing our sense of purpose. We have had to respond to a more demanding trading environment, higher costs, and changing conditions to continue raising the funds we grant for our all-important work in Romania.

In retail, our focus was on stability, capability and learning. While wage and inflation pressures limited growth, total retail turnover reached £10.9m, and more than half of our shops grew above cost inflation. We are clear-eyed about the shops that still require improvement, and we remain committed to investing in leadership, management skills, and community engagement as we move into the third year of our three-year strategy.

What energised me most this year was our UK teams' creativity. Initiatives such as our FARA in Bloom, where we saw an explosion of wonderful window displays across all our shops and Mend it May exemplify how we can connect retail, sustainability, community and storytelling in ways that resonate with today's shoppers. As attitudes to second-hand shopping continue to shift, these initiatives position FARA to stand out on the high street while deepening the public's connection to our cause. We need to continue to be creative and adapt to meet the challenges in our trading environment.

At the same time, our sister organisation, Fundatia FARA, used the grant we awarded them to deliver programmes that reached **1,160 unique individuals and 654 families** across Romania. This included supporting **349 individuals and 301 families** through their Tackling Poverty Through Education programme in Suceava, including providing 21,700 hot meals and 2,416 hours of homework support, and **102 adults with disabilities** through residential and community outreach programmes, of whom 19 live in their family-style residential homes. Their three therapy centres provided **247 children with disabilities** with free therapy and continue to have waiting lists for this transformative support. It was wonderful to see the hugely successful and impactful respite camps run again for a number of these children and their families.

Leading this organisation through another complex year has been a privilege. I thank our staff, volunteers, trustees, and everyone who shops, donates, and believes in our work. The challenges ahead are real, but so too are the opportunities, and we are building the capability to meet them.

Libby Gordon
Chief Executive, FARA Foundation

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STRATEGIC REPORT

WHO WE ARE AND OUR OBJECTIVES

The FARA Foundation (FARA UK) is a registered charity in the UK, founded in 1991 to provide "relief of suffering of those children and adults in Romania who are living in poverty or are marginalised or who have disabilities".

This is done in a number of ways, 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 centres, outreach programmes and supported living accommodation), and through work that advocates for social and economic inclusion of disadvantaged children and adults.

To deliver on our charitable objectives, FARA UK made grants in 2025 to Fundația FARA, a non-profit, non-governmental organisation supporting Romania's poorest and most vulnerable children, young people and families. Although independent of each other and governed by two separate boards, FARA UK and Fundatia FARA have a shared vision and mission. Fundatia FARA's work is closely monitored and evaluated with regular reports on activity and impact, with appropriate policies in place.

The funding relationship is formalised in the Grant letter, and in 2025, FARA UK remitted funds to Fundatia FARA in accordance with an approved annual budget.

This grant provided the funds required by Fundatia FARA to deliver the core programme services. Fundația FARA raised a further £123,897 in Romania to provide additional services (and bursaries) beyond the core services funded by FARA UK.

The work delivered under this grant enabled Fundatia FARA to support some of the most vulnerable social groups facing extreme poverty by advancing social inclusion and reducing poverty. 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 charity's affairs. The Trustees have full legal responsibility for the organisation's actions. The Board of Trustees meets at least three times annually to review and direct strategy, budget and performance.

FARA UK has four formal 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 Fundatia FARA are spent appropriately.

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Three 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

In addition, there is a **Remuneration Committee**, which meets annually, reviews annual increases for all staff and overall pay principles and provides recommendations to the board. There is also a Property Committee that approves new and renewed property leases.

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.

During the year, the charity had one wholly owned subsidiary. FARA Enterprise Limited (FEL) operates a retail charity business that donates all its profits to FARA UK. This comprises 39 high street stores: 21 general stores, 14 children's stores, two bookstores, a homeware store and a vintage store. In addition, it has an online store. Three members of the Board of Trustees sit on the board of FARA Enterprises Limited, along with the Chief Executive Officer and the Chief Operating Officer/Company Secretary of FARA.

APPOINTMENT OF TRUSTEES

The appointment of Trustees is set out in the Articles of Association and follows the Charity Commission's advice. Three new trustees were recruited, using a specialist recruitment agency (to support open and transparent recruitment) over Q3/4 of 2025. In advance of this, a board skills audit was carried out. 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 and its retail arm operate. They will be a member of at least one subcommittee.

Public benefit
The FARA UK Trustees confirm that they meet the public benefit requirement under the Charities Act 2011. FARA UK fulfils this by grant funding to Fundatia 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.

Executive leadership
Libby Gordon has continued as Chief Executive of the FARA Foundation, and, along with the executive leadership team, she has delegated authority to run 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 of whom work 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 we attract and retain staff while maintaining affordability. The Remuneration Committee oversees this area on behalf of the board.

Grant Funding Policy
FARA UK is a grant-making charity. Its policy is to apply charitable funds only in furtherance of its charitable objects and for public benefit. Grants are approved by the Trustees, governed by formal grant funding agreements, and monitored through budget, activity and impact reporting. In 2025, grants were made to Fundația FARA in accordance with the approved budget to support programmes in Romania for vulnerable children, young people, adults with disabilities and families living in poverty.

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ACHIEVEMENTS AND PERFORMANCE

WHY THE WORK WE FUND IS NEEDED
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 struggle to make ends meet.

Despite some progress, Romania continues to have one of the highest rates of child poverty in the European Union. In 2024, 33.8% of Romanian children (c 1.25million) were at risk of poverty or social exclusion, the third highest rate in the EU and nearly ten percentage points above the EU average of 24.2%.1 This underscores the vital importance of the work we fund.

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.

Romania has the highest rate of early school leavers in the EU, at 16.8% compared to an EU average of 9.4%2 , significantly above the EU's 2030 target of below 9%. The problem is acutely concentrated in rural areas, where the early school-leaving rate is 26.3%, compared with just 3.3% in cities.3 Romania also has the lowest rate of higher-education attainment in the EU, particularly among low-income populations, thereby limiting long-term economic mobility4.

Educational outcomes are deeply concerning. According to the 2022 OECD PISA assessment, 48.6% of Romanian 15-year-olds lack minimum proficiency in mathematics, 41.7% underperform in reading, and 44.0% fall short in science5, among the highest rates of underachievement in the EU.6

Children with disabilities are unable to access vital life-changing therapies and education, and adults with learning disabilities also remain in institutional care. In Romania, there are approximately 77,000 children registered with disabilities7, and over 16,000 adults with disabilities continue to live in social care residential centres.8 Only 17% of Romanians with disabilities aged 20–64 are in paid work, the lowest employment share in the EU9, and the EU-wide disability employment gap stood at 24 percentage points in 2024.

FUNDATIA FARA SERVICES IN ROMANIA

Fundatia FARA, whose programmes were funded by FARA UK during 2025, is an experienced care provider in Romania. Supporting vulnerable children with or without disabilities, young people, and people with disabilities and their families is at the core of FARA's mission.
Throughout 2025, Fundatia FARA used the grant of £2,179,658 from the UK to support **1,160 unique individuals and 654 families** through their core programmes:

- **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 marginalised children, their family members and other professionals to keep children and young people within the education system, reduce the risk of social exclusion and strengthen their and their families' resilience.

1. [1]Eurostat, Children at risk of poverty or social exclusion, data extracted May 2025. Available at: ec.europa.eu/eurostat/statistics-explained
2. [2]Eurostat, Early leavers from education and training, 2024 data. Available at: ec.europa.eu/eurostat/statistics-explained/index.php?title=Early_leavers_from_education_and_training
3. [3]European Commission, Education and Training Monitor 2025 – Romania Country Report. Available at: op.europa.eu/webpub/eac/education-and-training-monitor/en/country-reports/romania.html
4. [4] As above
5. [5]OECD, PISA 2022 Results – Country Notes: Romania. Available at: oecd.org/en/publications/pisa-2022-results-volume-i-and-ii-country-notes_ed6fbcc5-en
6. [6]European Commission, Education and Training Monitor 2025 – Romania Country Report, citing OECD PISA 2022. Available at: op.europa.eu/webpub/eac/education-and-training-monitor/en/country-reports/romania.html
7. [7]World Bank, Disability Inclusive Social Protection in Romania, December 2023. Available at: worldbank.org/en/country/romania/brief/disability-inclusive-social-protection-in-romania
8. [8]As above
9. [9]Eurostat EU-SILC 2023, cited in Disability in Romania, Wikipedia (citing Eurostat, July 2024). Only 17% of Romanians with disabilities aged 20–64 are in paid work — the lowest employment share in the EU.

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- **Homes for Life and Outreach:** Providing safe accommodation in a family-type environment, psychosocial assistance, non-formal education, and socialisation for adults with disabilities, and working in the community supporting people with disabilities and their families.
- **Educational Bursaries:** Offering financial assistance and other support to help teenagers with educational performance and achievement
- **Solidarity with Ukrainian Refugees:** Fundatia FARA continued to support Ukrainian refugee families through the Solidarity Team for Ukraine, with the programme closing as planned in 2025.

Looking into 2026, FARA UK will continue to fund Fundatia FARA's work, focusing on supporting all core areas of their programmes and conducting an independent operational and programme review.

THERAPY AND REHABILITATION

Fundatia FARA provided free access to a range of therapies for 247 children (aged between infant and 16) with disabilities from low-income families at their three centres: Rafael in Bucharest; Emmanuel in Suceava; and St Teresa's in Falticeni, Suceava County.

These programs provide free therapeutic services for children with disabilities, teach parents to continue therapy at home, and encourage social interaction. They include speech and psychological therapy, physiotherapy, and creative activities for children from low-income families. The primary goals are to help children overcome developmental challenges, promote their inclusion in mainstream education, and improve their daily functioning at home, school, and in the community. Additionally, the programme offers training, information, and tailored support to families and professionals to improve their understanding of disabilities, child development, and rehabilitation options.

In 2025, more than **16,000 individual therapy sessions** were delivered across psychological (4,663 sessions), speech therapy (3,470 sessions), physiotherapy (4,950 sessions) and group and online therapies (3,007 sessions). These programmes are running at capacity, and any place that becomes available is quickly filled (30 places became open and were filled this year), reflecting the need for this work, the strength of demand, and the trust families place in the programme.

The programme also supported over 200 parents through counselling, education, and family-centred interventions, and engaged 132 professionals, volunteers and students through training, mentorship and collaboration, further strengthening the local care ecosystem.

In 2025, three therapeutic and respite camps were organised, attended by 28 children and young beneficiaries and 25 parents and caregivers, and supported by multidisciplinary professionals, volunteers, and external specialists. These camps were designed as holistic intervention and support initiatives for children with disabilities and their families. They provided safe, inclusive, and supportive environments where children and parents could access structured therapeutic activities, recreational opportunities, emotional support, relaxation, and meaningful social interactions.

Parents consistently described these centres as safe, supportive environments that reduce stress and increase confidence. The centres are environments that reduce anxiety and increase tolerance for structured therapeutic activities. Parents reported improved understanding of their child's needs and progress and greater confidence in supporting them at home.

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TACKLING POVERTY THROUGH EDUCATION

This community-based programme is delivered in Baia and Preutesti, two communes in Suceava County, and in Popesti-Leordeni, Bucharest. It aims to enhance well-being, support vulnerable individuals in thriving, improve access to education and employment, elevate the quality of care, bolster community-based services, and amplify beneficiaries' voices in decision-making. Its main goals include preventing school dropouts, closing significant educational gaps, strengthening resilience, increasing autonomy for people with disabilities, and fostering community cohesion around education. It contributes to implementing national and international policies, strategies and legislation regarding poverty reduction, promoting social inclusion, and promoting and respecting the rights of children and young people, including those with disabilities.

In Suceava during 2025, 100 kindergartens and 100 primary school-age children were supported through the after-school programme, which provided more than 21,700 hot meals and 2,416 hours of homework support. Within the wider community, Fundația FARA also supported over 250 families struggling with poverty. Holistic support was provided to families through information sessions and workshops covering understanding child behaviour, healthy eating and practical agricultural techniques. Services and assistance addressed both material and knowledge-based needs to ensure children could thrive, including the provision of more than 605 food packages, 527 hygiene kits and 20 gardening starter kits.

The Popesti-Leordeni programme provided:

- Daily support for 28 individuals with disabilities
- Educational support for over 30 children and 19 youth
- Material support (food, clothing and educational supplies) was given to over 80 children and 122 families from Popesti-Leordeni and nationwide.

This programme benefits from a number of supplementary programmes that add value, on top of the core work funded by FARA UK.

- The SafetyNet Project: Zero Tolerance for Violence, funded by the European Union through the CERV programme in partnership with Eurochild and Terre des Hommes Hungary, was active throughout 2025. The project empowers children, teachers and parents in five rural communities through creative tools, educational resources and emotional support, combating poverty, school dropout, bullying and violence.
- Fundatia FARA's corporate partner, Lenovo, continued to support the programme, with their STEM educational room used by hundreds of beneficiaries

TPTE is not just an educational initiative, it is a social infrastructure that prevents immeasurable future costs and creates the conditions for long-term community transformation

HOMES FOR LIFE OUTREACH

This programme has two components: residential and community outreach. It is implemented in Suceava County in two rural 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 Outreach:** This work aims to reduce barriers and foster social inclusion for 69 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.

In 2025, the programme collectively served **102 individuals and 60 families**. Serving families across underscores the programme's holistic model, which recognises the family unit as a central pillar in promoting independence, rehabilitation, and social participation for adults with disabilities.

Approximately 55% of all individual beneficiaries were reached through outreach programmes, showing a clear shift toward community integration and inclusive service provision, aligning with both national and EU priorities.

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A highlight of 2025 was the completion of the SPER Project (Support for Equality and Empowerment) implemented in partnership with the Suceava County Council. Over six months, participants engaged in independent living workshops, creative occupational therapy, social interaction activities, and emotional development sessions. The project concluded with a community exhibition and celebration, and produced a Gratitude Journal, a practical psychosocial tool now distributed across Fundatia FARA centres and partner organisations.

Fundatia FARA's presence has transformed the community, inspiring people to see the world differently. This programme helps people to survive and empowers them to truly live. One beneficiary said "Here I feel like a whole human being. I have plans and dreams"

EDUCATIONAL BURSARIES

Now supporting its third cohort, the Fundatia FARA Educational Bursaries programme has expanded significantly. The programme was designed to reduce the risk of school dropout, promote equal opportunities, and empower motivated students from disadvantaged rural communities to pursue sustainable educational and professional pathways.

In 2025, this programme supported 83 students across ten Romanian counties in the 2025–26 academic year, up from 56 recipients in 2024. The 2025–26 cohort reflects a diversified and sustainable funding model: 33 bursaries funded by FARA UK, and the remaining were supported by Lenovo scholarships and private donors, including proceeds from the charity concert "In Memoriam Eugen Sârbu" held in June 2025. The staff who support this work are funded by Fundatia FARA.

The programme offers financial support alongside counselling, mentoring, emotional support and personal development opportunities, helping talented young people from disadvantaged backgrounds stay in education and achieve their potential. With Romania having the lowest higher-

education attainment rate in the EU and 79% of bursary recipients coming from rural areas, this work directly addresses one of the most entrenched inequalities in Romanian society. 64% female, a reflection of the programme's particular importance in reaching young women at disproportionate risk of early school leaving in rural Romania.

A key strength of the programme was its personalised and responsive approach. Besides distributing scholarships, Fundația FARA actively engaged with vulnerable communities, identified systemic obstacles, and tailored support based on local conditions and evolving needs. By providing ongoing educational and financial assistance, mentoring, and fostering community collaboration, the Educational Bursaries Programme not only promotes individual academic achievements but also helps build resilient, educated, and empowered youth. These young generations are equipped to contribute to the sustainability and well-being of their communities and society.

Those taking part in this scheme report improved academic performance, greater confidence, and a renewed sense of possibility, with many now envisioning previously unattainable futures

SOLIDARITY WITH UKRAINIAN REFUGEES

Fundatia FARA's Solidarity Team for Ukraine, established in 2022, continued to support Ukrainian refugee families in 2025, though the programme wound down over the year and closed as planned. During 2025, the team supported refugees through accommodation, Romanian-language lessons, educational activities, and childcare. We are grateful to all the staff and volunteers who gave so much of themselves to this work over three years.

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SUMMARY OF ACHIEVEMENTS AND PERFORMANCE

SIGNIFICANT CHARITABLE ACTIVITIES UNDERTAKEN

FARA UK continued to operate as a grant-making charity, funding Fundația FARA in Romania to support vulnerable children, young people, adults with disabilities and families in poverty. The 2025 grant of £2.18m supported 1,160 individuals and 654 families through therapy and rehabilitation, education and poverty support, supported living and outreach, educational bursaries and Ukrainian refugee support.

ACHIEVEMENTS AGAINST OBJECTIVES SET

FARA's funded work remained closely aligned with its charitable objectives of relieving poverty, improving education, supporting people with disabilities and promoting social inclusion. Key achievements included free therapy for 247 children, over 16,000 therapy sessions, support for 102 adults with disabilities, 21,700 hot meals, 2,416 hours of homework support, and bursaries for 83 students. In the UK, FARA maintained 39 retail shops and an Online outlet and continued to work to strengthen its retail performance, governance, workforce engagement and future grant-making arrangements.

PERFORMANCE OF FUNDRAISING ACTIVITIES AGAINST OBJECTIVES

FARA's main fundraising activity remained its charity retail operation. Retail income remained significant, with consolidated retail income of £12.18m and shop turnover broadly stable at £10.9m. However, rising staffing, rent, rates and inflationary costs have led to a reduced contribution. Marketing and engagement activity supported retail and fundraising through campaigns including FARA in Bloom, Sustainable September, Mend it May, shop events and improved supporter communications.

INVESTMENT PERFORMANCE AGAINST SET OBJECTIVES

FARA invested surplus reserves in line with its investment and ESG policies, aiming for medium- to long-term growth. Investment income was £348,585, with net investment gains of £585,975, and fixed asset investments increased to £7.335m. A 2025 review carried forward into 2026 concluded that existing portfolios were not delivering the required return, and the charity plans to consolidate investments under one investment house in 2026.

LOOKING FORWARD TO 2026: FUNDING

FARA UK will continue to support Fundatia FARA's work through a grant in 2026. In the main, the work supported will be the same as in 2025, with an independent review to ensure the quality, accessibility, and impact of its services.

FARA UK is expected to provide Fundatia FARA up to £2.5m in 2026 to fund existing programmes (subject to the continuing need in Romania for those programmes). Fundatia 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.

Key priorities include enhancing operational performance, ensuring regulatory compliance, and strengthening partnerships and long-term sustainability. The organisation aims to deepen family and community engagement by amplifying beneficiaries' voices, increasing parental involvement, and expanding health education initiatives. Advocacy efforts will be intensified to raise awareness of barriers faced by vulnerable groups and to promote inclusion in mainstream education and community life.

FARA IN THE UNITED KINGDOM

Since opening its first shop on Fulham Road in 1992, FARA UK, through its wholly owned trading subsidiary FARA Enterprises Limited (trading as FARA Charity Shops), its charity shops business, grew successfully and in 2025 it ran 39 retail charity shops in London, which provided the majority of the income used to fund projects and programmes in Romania.

These shops were located within 26 London communities and, across all of them, we sold a wide range of value, designer, stylish, unique, and interesting items. We had 21 general stores, 14 children's stores, two bookstores, a homeware store and a vintage store. In addition, we sold goods online. While the main aim of the shops has and continues to be to raise money to support the work in Romania, they have also supported a growing agenda around sustainability and aimed to be a positive presence in the communities where they were located.

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Against a continued challenging trading environment, FARA's strategic focus during 2025 remained on strengthening the existing retail portfolio and stabilising its contribution. Retail turnover reached £10.9m, on a par with 2024, with overall contribution declining as increased staffing, rent and rates costs continued to exert inflationary pressure. The retail strategy maintained its emphasis on developing shop leadership and improving productivity, recognising that staff represent FARA's most significant investment. A stepped approach to shop development continues, focused on continuing the rollout of improved and efficient working environments in our shops, moving our warehouse to increase efficiency and enhancing management capability while managing costs to protect long-term sustainability.

Non-shop trading had a difficult year, reflecting both a broader decline in the e-commerce sector and reduced stock supply from shops. Within this context, Fine Art and Books were identified as priority growth areas, with a greater focus on developing relationships and channels to support this. Work also progressed to strengthen stock-in and stock-out routes, including corporate partnerships, website-based promotion of high-value items, and new collaborations to divert unsaleable goods into creative reuse and repair initiatives, supporting FARA's sustainability objectives. We once again collaborated with the London College of Fashion in early 2025 with the theme, *Denim ReFramed*, which redefined what fashion can be when we look past imperfections to remake, reuse, and reframe waste textiles.

Marketing, communications and fundraising activity during 2025 concentrated on rebuilding core capacity, and laying the foundations for a more strategic, supporter-centred approach. Progress was made in strengthening digital and data infrastructure, resetting supporter communications (including a Christmas campaign telling the story of Denis, a boy supported by the therapy centre we fund in Romania) and advancing work on a new website and brand experience programme. Support was given to shop events, including Northcote Road Festival, and key campaigns, including FARA in Bloom and Sustainable September, which were highlights in the calendar.

IN THE UK: ENGAGEMENT WITH THE FARA WORKFORCE

The FARA UK workforce has approximately 180 full-time equivalents, comprising around 300 paid staff, 120 full-time staff, 180 part-time or casual staff, and over 300 volunteers.

We are grateful to all our volunteers who give their time for free, from those completing their Duke of Edinburgh awards, giving one hour a week, to those who help with a specific specialisation (like books, social media or checking jewellery) and those who can give a few days a week, assisting with a wide range of general tasks in our shops.

The charity communicates with its workforce through monthly internal newsletters, email communications, the FARA intranet, regular team and area meetings, and leadership visits.

This year's activity focused on maintaining effective policies and support while improving productivity through things including developing recruitment processes. Priority areas included staff wellbeing, enhancing management capability and preparation for the introduction of new employment contracts in 2026. Looking ahead, FARA will act on staff survey feedback by introducing a Staff Forum and recognition initiatives, alongside continued investment in training, digital capability, and leadership development.

LOOKING FORWARD TO 2026 IN THE UK

We will be entering the final year of our 2024-2026 Strategy and will continue work to align FARA UK and its trading subsidiary to continue supporting the work in Romania, and in the UK, focusing on three strategic areas:

- **Programmes**: FARA UK will continue to support Fundatia FARA during 2026 to deliver services of the highest quality to help the most vulnerable children, young people, adults and families in Romania through its grant funding and support in carrying out a programme and organisational review.
- **Public engagement**: FARA UK will consolidate and grow the contributions from its retail operation to ensure its continued success and resilience, while also looking to diversify its income base by increasing its public profile and community engagement.
- **People**: FARA UK will cultivate a thriving and productive workforce supported by dedicated and professional governance, united under shared values, vision and mission

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FINANCIAL REVIEW AND RISKS

The Charity maintains and reviews its risk register at each Board meeting and updates it where necessary. In addition to this, the risk register is a standing item on all subcommittees and is thoroughly reviewed once each 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 and limit risk, while acknowledging we cannot 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, financial, compliance, operational, governance and programme delivery areas. As a grant funding provider, we consider the most significant risks to include the following:

1. The programmes we fund not delivering the expected outcomes and impact in line with our charitable objectives or not being delivered safely and credibly. This is mitigated by having a robust grant funding agreement in place between FARA UK and its funding partners in Romania together with regular meetings between the members of the senior management team.
2. A lack of sufficient numbers of people with the appropriate skills on the FARA UK Board. This 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. This 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 appropriate and the reserves and investments 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.

RESERVE FUNDS POLICY

The position on reserve funds is reviewed regularly throughout each year at the Finance and Risk subcommittee meetings, while the reserve funds policy is reviewed annually by the full board of Trustees when the financial statements are being finalised.

This is to ensure that FARA UK maintains a prudent level of reserve funds to support its income generation, its operational and financial resilience and its grant funding and charitable objectives. The policy is governed by Charity regulations, the nature and diversity of the charity's income streams, and the organisational strategy approved by the Board of Trustees.

NATURE OF RESERVE FUNDS

FARA UK recognises two types of reserve funds: 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 2025.

- 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 funds in line with the General Reserve Funds Policy as approved by the Trustees.

The majority of FARA Foundation's reserve funds have been derived from the profits generated by FARA Enterprises Ltd (FEL), covenanted to the charity annually. These funds are unrestricted in nature and may be applied towards any of the charity's objects and are not legally reserved for any specific organisation as long as they meet the charitable objects of FARA UK and the recipient complies with grant funding obligations.

In determining the appropriate level of reserve funds, the trustees have considered the principal financial risks facing the charity. These include:

- potential volatility or interruption to income from the trading subsidiary,
- committed and in the pipeline overseas grant obligations,
- ongoing UK operational and governance costs, and
- the requirement to respond to unforeseen events or strategic opportunities.

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Based on this assessment, the trustees consider that an appropriate level of unrestricted funds is in the range of £10 million to £12 million, which is inclusive of designated funds below.
This target reflects:

- approximately six months' equivalent income risk from the trading subsidiary,
- committed and planned overseas grant expenditure,
- six months of UK operating costs, and
- a contingency buffer to manage unforeseen risks.
-

GENERAL RESERVE FUND POLICY

General reserve funds 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 Reserve Funds Policy. This policy requires FARA to hold general reserve funds of approximately £2.5m of grant funding for 2026.
The Trustees judged this level of reserve funds was appropriate to:

- counter the volatility of the income generated from its trading activities;
- counter the volatility of the income generated from its investment activities.

GENERAL RESERVE FUNDS

General reserve funds are not restricted to, set aside, or designated for a particular purpose. On 31st December 2025, general reserve funds were £2.019m.

DESIGNATED RESERVE FUNDS

Designated reserve funds are those unrestricted funds that have been allocated at the Trustees' discretion for particular purposes.

The Trustees have, at their discretion, set a target level of fixed reserve funds equivalent to £7.0m to counter the risk of income loss from trading operations for a period of 8 months, £0.25m to meet charity operational and governance costs, £2.50m to meet planned grant funding during 2026 and £2.035m as a contingency to meet unforeseen risks. These levels are considered to be proportionate to deal with both retail and financial risk, charity running costs and the charity's plans for responsible funding of organisations in Romania.

The designation of reserve funds can be amended at any time to reflect changing circumstances.

RESERVE POSITION AT YEAR END

At 31 December 2025, the Foundation held £11.768m in unrestricted reserve funds. The Trustees believe this level to be adequate after considering the reliability of income streams and the principal risks facing the charity. At this level, the Trustees have a reasonable expectation that FARA UK has adequate financial resources to continue in operational existence for the foreseeable future and continues to be a going concern.

Future Review
The Trustees will continue to monitor and review the reserve funds policy in 2026 in light of:

- the development of the new grants framework,
- ongoing retail operating and financial investment risks.

INVESTMENT POLICY

The Charity continues to invest its surplus reserve funds in a mix of high and low risk investment funds, bonds and cash deposits adhering to its ESG commitments. This policy is designed to ensure higher than average annual growth at CPI plus 4% over a 5-10 year time horizon. This is underpinned by the judgment that the Charity would be unlikely to require these funds in the short term (1-2 years) and needed some investments that would generate a higher return over the medium to longer term. FARA UK continues to hold funds in low-risk funds set up expressly to meet the requirements of charities as a counterbalance to the higher-risk investments. These funds track the UK equity and bond markets.

A review of FARA UK investments and cash deposits was carried out in late 2025 and the existing investment portfolios were considered to not be delivering the required level of return and growth. The recommendation taken forward into 2026 is to consolidate all investments under the auspices of one investment house in order to achieve the required returns and growth.

The value of the FARA UK Investments stood at £7.335m in 2025 (2024 £6.568m).

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FARA FOUNDATION (LIMITED BY GUARANTEE)

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

for the Year Ended 31 December 2025

The annual report, incorporating the strategic and Directors' reports, has been approved by the Board of Trustees on 27/08/2026 and signed on their behalf by Siobhan Cross.

Signed by:
Siobhan Cross
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Ms S G Cross - Trustee

Date: 27/08/2026

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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 2025 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 2025 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.

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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.

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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: 3 September 2026

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)

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FARA FOUNDATION (LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 December 2025

	Notes	2025 (Total) Unrestricted Funds £	2024 (Total) Unrestricted Funds £
INCOME			
Donations and legacies:			
Donations and other voluntary income		49,422	27,549
Income from other trading activities			
Retail income	3	12,176,660	11,992,925
Investment income	4	348,585	437,208
TOTAL INCOME		12,574,667	12,457,682
EXPENDITURE			
Costs of raising funds:			
Retail costs	3	10,542,225	10,432,205
Portfolio management		21,236	29,714
Expenditure on charitable activities:			
Provision of Funding for Child, Youth, Adult Care & Educational Services	6	2,492,637	2,295,164
TOTAL EXPENDITURE		13,056,098	12,757,083
Net income / (expenditure) for the year before gains and losses		(481,431)	(299,401)
Net gains / (losses) on revaluation of fixed asset investments		-	-
Net gains / (losses) on investments		585,975	154,664
NET INCOME / (EXPENDITURE) FOR THE YEAR		**104,544**	**(144,737)**
Reconciliation of funds:			
TOTAL FUNDS BROUGHT FORWARD		11,621,148	11,765,885
NET MOVEMENT OF FUNDS FOR THE YEAR		104,544	(144,737)
TOTAL FUNDS CARRIED FORWARD		**11,725,692**	**11,621,148**

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 23 to 36 form part of these financial statements.

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FARA FOUNDATION (LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
As at 31 December 2025

	Notes	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
FIXED ASSETS					
Tangible assets	10	264,286	2,487	203,670	5,652
Investments	11	7,335,231	7,420,231	6,568,117	6,653,117
DEBTORS: Due after one year	12	7,683	7,683	7,684	7,684
CURRENT ASSETS					
Debtors	12	821,431	429,008	1,101,693	622,055
Cash at bank and in hand		3,710,160	3,706,189	1,377,533	1,295,101
Investments	13	947,769	947,769	3,665,384	3,665,384
		5,479,360	5,082,966	6,144,610	5,582,540
Less: CURRENT LIABILITIES					
Creditors: Due within one year	14	503,267	292,627	424,400	66,097
NET CURRENT ASSETS		4,976,093	4,790,339	5,720,210	5,516,443
TOTAL ASSETS LESS CURRENT LIABILITIES		12,583,293	12,220,740	12,499,681	12,182,896
Less: PROVISIONS FOR LIABILITIES	16	857,600	451,992	878,533	491,258
NET ASSETS		11,725,693	11,768,748	11,621,148	11,691,638
FUNDS					
Unrestricted Income Funds					
Designated funds		9,750,000	9,750,000	8,991,408	8,991,408
General funds		1,975,693	2,018,748	2,629,740	2,700,230
TOTAL UNRESTRICTED INCOME FUNDS	17	11,725,693	11,768,748	11,621,148	11,691,638

The notes on pages 23 to 36 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 surplus for the financial period is £77,108.

Approved by the Board of Trustees on 27/08/2026 and signed on their behalf by:-

Signed by:
Siobhan Cross
31D08073EDF64DF...
Ms S G Cross
Chairman

Signed by:
R Davidson
6EC175DD336F4AC...
Mr R Davidson
Trustee

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FARA FOUNDATION (LIMITED BY GUARANTEE)

GROUP CASH FLOW STATEMENT
For the Year Ended 31 December 2025

	2025 £	2024 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (Note A)	**(433,967)**	**(237,567)**
Cash flows from investing activities:		
Additions of tangible fixed assets	(35,580)	(101,979)
Proceeds of sale of tangible fixed assets	(103,053)	-
Purchase of investments	-	575,187
Movement in current asset investments	2,717,615	(1,731,051)
Interest received	187,611	215,709
Net cash provided by/(used in) investing activities	**2,766,593**	**(1,042,134)**
Change in cash and cash equivalents in the reporting period	**2,332,626**	**(1,279,701)**
Cash and cash equivalents at the beginning of the reporting period	1,377,533	2,657,234
Cash and cash equivalents at the end of the reporting period	**3,710,159**	**1,377,533**

Note A

Cash flows from operating activities:		
Net income/(expenditure) for the reporting period per the SOFA	104,544	(144,737)
Depreciation	70,821	58,930
Loss/(gain) on sale of fixed asset	7,196	37,595
Net losses/(gains) on investments	(585,975)	(154,664)
Fees charged retained within portfolio	(20,165)	26,906
Cash interest received	(187,611)	(215,709)
Investment income reinvested	(160,974)	(221,499)
Movement in provisions	(20,933)	189,305
Movement in stock	-	(60,980)
Movement in debtors	280,263	306,219
Movement in creditors	78,867	(58,933)
Net cash provided by/(used in) operating activities	**(433,967)**	**(237,567)**

Note B - Analysis of changes in net debt

	At Start of Year £	Cash flows £	At end of Year £
Cash	1,377,533	2,332,626	3,710,159
Total	1,377,533	2,332,626	3,710,159

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

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.

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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 (2024: £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.

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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, the assets of which are held separately from the group's assets. Contributions payable to the group's pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Obligations for contributions to defined contribution pension schemes are recognised 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.

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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**

2025	**FARA Foundation**	**FARA Enterprises**	**Total 2025**
	£	**£**	**£**
Retail income (shop sales)	5,046,828	7,129,832	12,176,660
Retail expenditure (shop costs)	(4,849,872)	(5,676,155)	(10,526,027)
Support costs	(6,714)	(9,484)	(16,198)
Net funds generated from retail activities	190,242	1,444,193	1,634,435

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	(140,287)	1,685,776	1,545,489

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.

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4. INVESTMENT INCOME

	Total 2025 £	Total 2024 £
Income from listed investments (reinvested)	160,974	221,499
Interest from cash held	187,611	215,709
Total investment income	348,585	437,208

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:

	2025 £	2024 £
Child, youth and adult care	2,179,658	2,086,460
Total grants payable	2,179,658	2,086,460

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

2025

	Grant funding £	Support costs £	Total £
Grants Payable			
Child, youth and social care	2,179,658	312,979	2,492,637
Total expenditure on charitable activities	2,179,658	312,979	2,492,637

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	2,086,460	193,471	2,279,931

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7. ANALYSIS OF SUPPORT COSTS

2025

	Charity admin £	Charity staff costs £	Govern-ance £	Finance costs £	Depreci-ation & loss on disposal £	Total £
Grants Payable:						
Child, youth and social care	65,380	176,193	109,346	(41,105)	3,165	312,979
Raising funds:						
Shops' costs	-	-	16,198	-	-	16,198
Total	65,380	176,193	125,544	(41,105)	3,165	329,177

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	31,443	152,994	23,529	(2,311)	3,047	208,702

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 £30,055 (2024: £21,278) and legal fees of £95,489 (2024: £2,251).

8. EXPENDITURE

Total resources expended for the year is stated after charging:

	Total 2025 £	Total 2024 £
Operating lease rentals (land and buildings)	1,701,930	1,687,159
Depreciation charges for the year	70,815	58,931
Auditor's remuneration	23,272	14,574
Non-audit compliance services	6,783	6,704
	1,802,800	1,767,368

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9. STAFF AND TRUSTEE INFORMATION

2025	FARA Foundation £	FARA Enterprises £	Total 2025 £
Staff costs			
Salaries	146,430	6,312,677	6,459,107
Social security	18,970	683,144	702,114
Pensions	10,171	128,209	138,380
Total	175,572	7,124,030	7,299,601

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

The average number of staff employed under contracts of service during the period for FARA Enterprises Limited was 281 (2024: 280), The number of staff employed for FARA Foundation (Limited by Guarantee) was 2 (2024: 2).

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

	2025	2024
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	3	1
£90,001 - £100,000	-	3
Total	6	7

During the period expenses totalling £1,040 were reimbursed to three Trustees (2024: £3,163 to three 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 £109,440 (2024: £103,306). 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 £397,955 (2024: £434,909). The employee benefits of key management personnel for the group were therefore £507,395 (2024: £538,215).

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10. TANGIBLE FIXED ASSETS

GROUP 2025	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Website £	Total £
Cost or valuation					
At 1 January 2025	110,333	1,001,419	22,960	66,466	1,201,178
Additions	57,662	80,970	-	-	138,632
Disposals	(26,039)	(77,014)	-	-	(103,053)
Revaluation	-	-	-	-	-
At 31 December 2025	141,956	1,005,375	22,960	66,466	1,236,757
Depreciation					
At 1 January 2025	67,458	842,921	20,661	66,466	997,506
Charge for the year	17,637	52,610	575	-	70,822
Eliminated on disposal	(26,039)	(69,818)	-	-	(95,857)
At 31 December 2025	59,056	825,713	21,236	66,466	972,471
Net book values					
At 31 December 2025	82,900	179,662	1,724	-	264,286
At 31 December 2024	42,875	158,498	2,299	-	203,672

Short leasehold assets held by the parent charity have a net book value of £2,487 (2024: £5,652). These were acquired at a cost of £19,665, and had brought forward accumulated depreciation of £14,013, and depreciation of £3,165 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.

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11. FIXED ASSET INVESTMENTS

GROUP	Listed Investments 2025	Total 2025	Total 2024
	£	£	£
MARKET VALUE			
As at 1 January 2025	6,568,118	6,568,118	6,794,047
Income reinvested	160,974	160,974	221,499
Disposal of investments	(21,238)	(21,238)	(604,900)
Net investment gain/(losses)	627,377	627,377	157,472
As at 31 December 2025	7,335,231	7,335,231	6,568,118

Listed investments include overseas investments of £3,856,512 (2024: £2,077,535). 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.

CHARITY	Unlisted Investments 2025	Listed Investments 2025	Total 2025	Total 2024
	£	£	£	£
MARKET VALUE				
As at 1 January 2025	85,000	6,568,118	6,653,118	6,879,049
Purchase of investments at cost	-	-	-	-
Income reinvested	-	160,974	160,974	221,499
Disposal of investments	-	(21,238)	(21,238)	(604,902)
Net investment gain/(losses)	-	627,377	627,377	157,472
As at 31 December 2025	85,000	7,335,231	7,420,231	6,653,118

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 (2024: 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 2025 amount to £41,945 (2024: £14,511).

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12. DEBTORS

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Amounts falling due within one year:				
Trade debtors	8,732	-	5,803	-
Other debtors and prepayments	734,825	429,008	1,103,574	629,739
	743,557	429,008	1,109,377	629,739
Amounts falling due after one year:				
Rental deposits	7,683	7,683	7,684	7,684
	7,683	7,683	7,684	7,684

13. CURRENT ASSET INVESTMENTS

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Deposit accounts	947,769	947,769	3,665,384	3,665,384
	947,769	947,769	3,665,384	3,665,384

14. CREDITORS

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Amounts falling due within one year:				
Bank loans and overdrafts	-	-	-	-
Trade creditors	137,870	-	122,171	-
Taxation and social security	129,792	5,623	127,789	-
Other creditors and accruals	235,605	20,075	174,440	22,842
Amounts owed to group undertakings	-	266,929	-	43,255
	503,267	292,627	424,400	66,097

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15. PENSION COMMITMENTS

At the balance sheet date, unpaid pension contributions within FARA Enterprises Limited & FARA Foundation amounted to £24,372 (2024: £25,832). This amount is included in other creditors.

16. PROVISIONS

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
As at 1 January 2025	878,533	491,258	689,228	379,925
Arising in the year	(20,933)	(39,266)	189,305	111,333
As at 31 December 2025	857,600	451,992	878,533	491,258

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

2025

	At 1 January 2025 £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfers between funds £	At 31 December 2025 £
Unrestricted funds						
Designated funds	8,991,408	-	-	-	758,592	9,750,000
General funds	2,629,740	12,574,667	(13,056,098)	585,975	(758,592)	1,975,692
	11,621,148	12,574,667	(13,056,098)	585,975	-	11,725,692

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
	11,765,885	12,457,682	(12,757,083)	154,664	-	11,621,148

Designated funds represent unrestricted funds that have been allocated at the Trustees' discretion for particular purposes. The designated funds include one year of grant funding based on the Fundatia FARA 2025 annual net budget equalling £2,500,000 as well as £250,000 as a contingency to cover operational and governance costs, with £7,000,000 to cover the risk of income loss from trading operations for a period of 8 months.

All assets and liabilities relate solely to unrestricted funds.

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18. LEASING AGREEMENTS

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

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Within one year	1,601,575	849,653	1,505,360	1,015,622
Between one and five years	3,762,160	1,876,519	3,588,685	2,465,964
After more than five years	422,500	232,000	461,792	460,458
	5,786,235	2,958,172	5,555,837	3,942,044

19. TRADING SUBSIDIARIES

The Charity owns 100% of the 5,000 (2024: 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:

2025	FARA Enterprises Limited £	Total 2025 £
Assets and liabilities		
Tangible fixed assets	261,799	261,799
Debtors	659,352	659,352
Cash at bank and in hand	3,971	3,971
Creditors:		
Amounts falling due within one year	(477,569)	(477,569)
Amounts falling due after one year	-	-
Provision for liabilities	(405,608)	(405,608)
Net assets	41,945	41,945
Capital and reserves		
Called up share capital	5,000	5,000
Other reserves	-	-
Retained earnings	36,945	36,945
Net assets	41,945	41,945

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19. **TRADING SUBSIDIARIES (Continued…)**

2025	**FARA Enterprises Limited**	**Total 2025**
	£	**£**
Trading results		
Turnover	10,900,972	10,900,972
Other income	144,154	144,154
Total incoming resources	11,045,126	11,045,126
Cost of sales	(9,580,356)	(9,580,356)
Administration and overheads	(23,718)	(23,718)
Revaluation of investment property	-	-
Net incoming resources	1,441,052	1,441,052
Gift Aid distribution to parent	(1,413,618)	(1,413,618)
Net movement in shareholders' funds	27,434	27,434

2024	**FARA Properties Limited**	**FARA Enterprises Limited**	**Total 2024**
	£	**£**	**£**
Assets and liabilities		As restated	As restated
Tangible fixed assets	-	198,018	198,018
Debtors	-	522,893	522,893
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	-	14,511	14,511
Capital and reserves			
Called up share capital	-	5,000	5,000
Other reserves	-	-	-
Retained earnings	-	9,511	9,511
Net assets	-	14,511	14,511

2024	**FARA Properties Limited**	**FARA Enterprises Limited**	**Total 2024**
	£	**£**	**£**
Trading results		As restated	As restated
Turnover	-	10,863,520	10,863,520
Other income	-	145,758	145,758
Total incoming resources	-	11,009,278	11,009,278
Cost of sales	-	(6,986,985)	(6,986,985)
Administration and overheads	(1,700)	(2,322,952)	(2,324,652)
Revaluation of investment property	-	-	-
Net incoming resources	(1,700)	1,699,341	1,697,641
Gift Aid distribution to parent	-	(1,699,341)	(1,699,341)
Net movement in shareholders' funds	(1,700)	-	(1,700)

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20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

At 31 December 2025 and 31 December 2024 there were no contingent liabilities or capital commitments arising for the group.

21. RELATED PARTY TRANSACTIONS

During the year, FARA Enterprises Limited made a distribution under Gift Aid of their trading profits amounting to £1,413,618 (2024: £1,699,341). FARA Properties Limited did not make any distributions under Gift Aid in the year ended 31 December 2024, 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 £3,904,201 (2024: £3,420,379).

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 £750 (2024: £1,800). The rent charged is below market rate.

During the period expenses totalling £1,269 (2024: £7,210) were reimbursed to three (2024: three) key management personnel, who were not serving as Trustees, in relation to travel costs to Romania.

22. DISSOLUTION OF SUBSIDIARY

In 2024, 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.

23. PRIOR YEAR ADJUSTMENT

FARA Enterprises Limited distributes profits to FARA Foundation (Limited by Guarantee) under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings where there is a legal obligation to make the payment at the reporting date or where the payment has subsequently been made in accordance with the relevant statutory and tax requirements.

FARA Enterprises previously recognised gift aid payments in the income statement. FARA Enterprises changed its accounting policy as a result of The Financial Reporting Council clarifying the accounting treatment for such payments in its triennial review of FRS 102. Therefore, the prior year comparative figures for FARA Enterprises have been restated to reflect this change.

This change does not affect the prior year figures in the consolidated accounts, as the gift aid payments are eliminated on consolidation. However, it does affect the results of the subsidiary reported in Note 19 wherein the expenditure of FARA Enterprises for the year ended 31 December 2024 has reduced by £1,699,341 and the Gift Aid distribution to the parent charity has increased by £1,699,341. There has been no impact on the reserves position of FARA Enterprises as at 1 January 2024 or 31 December 2024.