

Company Registration No 02997625 (England and Wales)

**FOCCHI LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

**TUESDAY**



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30/04/2013

#220

COMPANIES HOUSE

**BERLEY**  
**CHARTERED ACCOUNTANTS**  
**76 NEW CAVENDISH STREET**  
**LONDON W1G 9TB**

# FOCCHI LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Focchi Mr R Phillips
<b>Secretary</b>	Mr R Phillips
<b>Company number</b>	02997625
<b>Registered office</b>	7 Kennick Place London W1U 6HE
<b>Auditors</b>	Berley Chartered Accountants, Statutory Auditors 76 New Cavendish Street London W1G 9TB

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# FOCCHI LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

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# FOCCHI LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2012

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The directors present their report and financial statements for the year ended 31 December 2012

#### Principal activities and review of the business

The principal activity of the company continued to be that of the installation of curtain walls, doors, windows and other architectural products

Our company business trades exclusively in facades and curtain walls across the United Kingdom. During the year ended 31 December 2012, the company had increased its turnover in comparison to the previous year by 29.8%. However, the real estate market is still very competitive and has resulted in the decrease of the gross margins on existing contracts. The actual profit for the year is in line with forecasts, but the company had to settle an unexpected litigation of £162,500, plus legal fees of £25,000. The financial position of the company is good as shown on the Balance Sheet as at 31 December 2012.

The 2012 accounts take into consideration the risks and the uncertainties of the U.K. market, hence the prudent policy has been to identify the profits on the long term contracts of the company only when they are clearly known and determined.

As stated previously, the turnover has increased to £15.8 million (2011: £12.2 million). The net profit margin of turnover has increased to 1.48% (2012: 0.34%).

#### Results and dividends

The results for the year are set out on page 5.

#### Research and development

The company does not have any expenditure for research and development.

#### Post balance sheet events

No balance sheet events have happened during the first months of the current year that have implications on the company.

#### Future developments

The directors are expecting a 20% increase in turnover within the year 2013.

#### Directors

The following directors have held office since 1 January 2012:

Mr M Focchi  
Mr R Phillips

Charitable donations	2012 £	2011 £
During the year the company made the following payments:		
Charitable donations	-	6,050

#### Auditors

A resolution proposing that Berley be reappointed as auditors of the company will be put at a General Meeting.

# FOCCHI LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **Statement of directors' responsibilities**

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

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

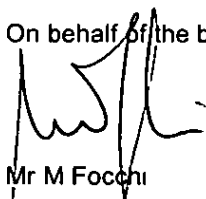
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr M Focchi

**Director**

8 April 2013

# **FOCCHI LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF FOCCHI LIMITED**

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We have audited the financial statements of Focchi Limited for the year ended 31 December 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **FOCCHI LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF FOCCHI LIMITED**

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#### **Matters on which we are required to report by exception**

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

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

**Jeremy Berman (Senior Statutory Auditor)**

**76 New Cavendish Street, London W1G 9TB**

**For and on behalf of**

**Berley Chartered Accountants, Statutory Auditors**

**25 April 2013**

# FOCCHI LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	15,791,736	12,160,269
Cost of sales		(14,975,557)	(11,698,863)
<b>Gross profit</b>		<b>816,179</b>	<b>461,406</b>
Administrative expenses		(583,117)	(420,825)
<b>Operating profit</b>	3	<b>233,062</b>	<b>40,581</b>
<b>Exceptional items</b>			
Settlement for costs and damages	5	(162,500)	-
		(162,500)	-
<b>Profit on ordinary activities before interest</b>		<b>70,562</b>	<b>40,581</b>
Other interest receivable and similar income	4	1,079	982
<b>Profit on ordinary activities before taxation</b>		<b>71,641</b>	<b>41,563</b>
Tax on profit on ordinary activities	6	(16,197)	(8,273)
<b>Profit for the year</b>	12	<b>55,444</b>	<b>33,290</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



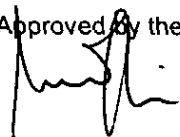
# FOCCHI LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	7		9,539		11,037
<b>Current assets</b>					
Stocks	8	786,100		508,287	
Debtors	9	5,386,923		5,359,411	
Cash at bank and in hand		361,278		514,812	
		<u>6,534,301</u>		<u>6,382,510</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,557,788)</u>		<u>(3,462,939)</u>	
<b>Net current assets</b>			<u>2,976,513</u>		<u>2,919,571</u>
<b>Total assets less current liabilities</b>			<u>2,986,052</u>		<u>2,930,608</u>
<b>Capital and reserves</b>					
Called up share capital	11	50,000		50,000	
Profit and loss account	12	2,936,052		2,880,608	
<b>Shareholders' funds</b>	13	<u>2,986,052</u>		<u>2,930,608</u>	

Approved by the Board and authorised for issue on 8 April 2013



Mr M Focchi  
Director

Company Registration No 02997625

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

##### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

##### 1.3 Turnover and profits

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which has been completed. The costs incurred in reaching that stage of completion are then matched to turnover

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 3 to 5 years

##### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### 1.6 Stock

Work in progress is valued at the lower of cost and net realisable value

##### 1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

##### 1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

##### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	5,842	5,601
Loss on disposal of tangible assets	-	577
Loss on foreign exchange transactions	9,709	-
Operating lease rentals		
- Plant and machinery	4,472	5,215
- Other assets	110,000	110,000
Auditors' remuneration (including expenses and benefits in kind)	6,500	6,500
and after crediting		
Profit on foreign exchange transactions	-	(155,589)

4 Investment income	2012 £	2011 £
Bank interest	1,079	84
Other interest	-	898
	1,079	982

### 5 Exceptional items

During the year, the company settled a claim of £162,500 from a customer/client of a building contractor of which Focchi Limited carried out sub-contract work in 1999 on behalf of the main building contractor

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6	Taxation	2012 £	2011 £
	<b>Domestic current year tax</b>		
	U K corporation tax	16,197	8,273
	<b>Total current tax</b>	<u>16,197</u>	<u>8,273</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>71,641</u>	<u>41,563</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 00% (2011 - 20 00%)	<u>17,194</u>	<u>8,313</u>
	<b>Effects of</b>		
	Non deductible expenses	1,148	1,879
	Depreciation add back	1,402	1,120
	Capital allowances	(1,412)	(3,140)
	Other tax adjustments	(2,135)	101
		<u>(997)</u>	<u>(40)</u>
	<b>Current tax charge for the year</b>	<u>16,197</u>	<u>8,273</u>

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2012	38,933	21,684	60,617
Additions	3,954	390	4,344
At 31 December 2012	42,887	22,074	64,961
<b>Depreciation</b>			
At 1 January 2012	30,703	18,877	49,580
Charge for the year	4,861	981	5,842
At 31 December 2012	35,564	19,858	55,422
<b>Net book value</b>			
At 31 December 2012	7,323	2,216	9,539
At 31 December 2011	8,230	2,807	11,037

### 8 Stocks

	2012 £	2011 £
Long term contract balances		
- Net cost less foreseeable losses	786,100	508,287

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9 Debtors	2012 £	2011 £
Trade debtors	1,052,043	1,052,463
Amounts recoverable on long term contracts	4,067,743	2,499,219
Other debtors	7,443	11,315
Prepayments and accrued income	259,694	1,796,414
	<u>5,386,923</u>	<u>5,359,411</u>

Amounts falling due after more than one year and included in the debtors above are

	2012 £	2011 £
Trade debtors	<u>420,639</u>	<u>261,198</u>

10 Creditors. amounts falling due within one year	2012 £	2011 £
Trade creditors	548,455	515,399
Amounts owed to parent and fellow subsidiary undertakings	1,675,458	2,028,554
Corporation tax	16,197	8,273
Other taxes and social security costs	227,626	625,631
Other creditors	1,219	2,731
Accruals and deferred income	1,088,833	282,351
	<u>3,557,788</u>	<u>3,462,939</u>

11 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	2,880,608
Profit for the year	55,444
	<u>          </u>
Balance at 31 December 2012	<u>2,936,052</u>

### 13 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	55,444	33,290
Opening shareholders' funds	<u>2,930,608</u>	<u>2,897,318</u>
Closing shareholders' funds	<u>2,986,052</u>	<u>2,930,608</u>

### 14 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire				
Within one year	-	-	4,770	6,397
In over five years	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
	<u>110,000</u>	<u>110,000</u>	<u>4,770</u>	<u>6,397</u>

### 15 Directors' remuneration

	2012 £	2011 £
Remuneration for qualifying services	<u>109,388</u>	<u>114,215</u>

# FOCCHI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 16 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
On site managers	3	4
Administration	4	5
	<u>7</u>	<u>9</u>

##### Employment costs

	2012 £	2011 £
Wages and salaries	476,801	435,672
Social security costs	58,781	50,545
	<u>535,582</u>	<u>486,217</u>

#### 17 Control

The parent company is Focchi Spa, a company registered in Italy. The parent company is controlled by the Focchi family.

Focchi Spa prepares group financial statements and copies can be obtained from Via Cornacchiara, 805 - Camerano, Poggio Berni, Rimini, Italy 47824.

#### 18 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company.

During the year, the company paid rent of £110,000 (2011: £110,000) on its office premises to Focchi Investments Limited, a related company also controlled by the Focchi family.