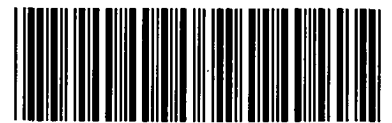


Company Registration No. 02997625 (England and Wales)

FOCCHI LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

FOCCHI LIMITED

COMPANY INFORMATION

Directors	Mr M Focchi Mr R Phillips Mr A Cicoria	(Appointed 7 July 2016)
Secretary	Mr R Phillips	
Company number	02997625	
Registered office	Sherlock House 7 Kenrick Place London W1U 6HE	
Auditor	Berley Chartered Accountants, Statutory Auditors 76 New Cavendish Street London W1G 9TB	

FOCCHI LIMITED

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FOCCHI LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

Our company business trades exclusively in facades and curtain walls across the United Kingdom. During the year ended 31 December 2016, the company again increased its turnover in comparison to the previous year by 15.33%. The real estate market is still very competitive however our pre-tax profit margin has increased more than 10 times, meaning the actual profit for the year is in line with the forecast. The financial position of the company is good as shown on the Balance Sheet as at 31 December 2016.

	Year ended 31 December 2016 £	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Turnover	37,919,120	32,878,255	23,007,360
Turnover growth	15.33%	42.90%	23.90%
Gross profit margin	4.90%	4.07%	5.21%
Profit before tax	1,320,994	116,204	62,217

Principal risks and uncertainties

The principal financial risks that the company face are associated with our ability to accurately estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling those costs, the ability to recover costs under the payment terms of all contracts.

We are committed to deliver the works on time, with the necessary level of quality and safety is the core of our general contractor activity.

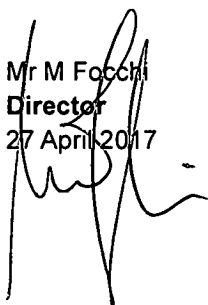
The 2016 accounts takes the prudent policy of identifying the profits on the long term contracts of the company only when they are clearly known and determined.

Development and performance

As stated previously, the turnover has increased to £38million (2015: £33million). The net profit margin has increased to 3.48% of turnover (2015: 0.35%).

On behalf of the board

Mr M Focchi
Director
27 April 2017



FOCCHI LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their directors' report and financial statements for the year ended 31 December 2016.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Focchi
Mr R Phillips
Mr A Cicoria

(Appointed 7 July 2016)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £3,000,000. The directors do not recommend payment of a final dividend.

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, inter-company balances with the parent and connected companies, plus property leases. The main purpose of these instruments is to raise funds and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of bank deposit account facilities where funds are available.

In respect of inter-company balances, these comprise balances with a connected company, Focchi Investments Limited, and its parent company, Focchi Spa. For the inter-company balances, they will be repayable depending on the cash flow requirements of the individual companies. The company will need to manage its cash flow to ensure repayment in due course.

The company was a lessee in respect of a property. The liquidity risk in respect of this is managed in the same way as the inter-company balances above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

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

Post reporting date events

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

FOCCHI LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Future developments

The directors are expecting the turnover for the year 2017 to be in line with the previous year.

Auditor

The auditor, Berley Chartered Accountants, Statutory Auditors, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

Mr M Focchi
Director
27 April 2017



FOCCHI LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOCCHI LIMITED

We have audited the financial statements of Focchi Limited for the year ended 31 December 2016 set out on pages 6 to 20. 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), including Financial Reporting Standard 102.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

FOCCHI LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FOCCHI LIMITED

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 H Berman (Senior Statutory Auditor)
76 New Cavendish Street, London W1G 9TB

For and on behalf of
Berley Chartered Accountants, Statutory Auditors

17 May 2017

FOCCHI LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	37,919,120	32,878,255
Cost of sales		(36,060,311)	(31,540,181)
Gross profit		1,858,809	1,338,074
Administrative expenses		(545,266)	(1,233,599)
Other operating income		-	5,601
Operating profit	4	1,313,543	110,076
Interest receivable and similar income	7	7,451	6,128
Profit before taxation		1,320,994	116,204
Taxation	8	(267,607)	(24,663)
Profit for the financial year		1,053,387	91,541
Other comprehensive income		-	-
Total comprehensive income for the year		1,053,387	91,541

The income statement has been prepared on the basis that all operations are continuing operations.

FOCCHI LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	10		120,256		6,634
Current assets					
Stocks	11	19,265		846,148	
Debtors	13	7,175,985		11,515,094	
Cash at bank and in hand		4,910,073		1,988,113	
		12,105,323		14,349,355	
Creditors: amounts falling due within one year	14	(10,994,502)		(11,181,974)	
Net current assets			1,110,821		3,167,381
Total assets less current liabilities			1,231,077		3,174,015
Provisions for liabilities	15		(3,675)		-
Net assets			1,227,402		3,174,015
Capital and reserves					
Called up share capital	18	50,000		50,000	
Profit and loss reserves		1,177,402		3,124,015	
Total equity			1,227,402		3,174,015

The financial statements were approved by the board of directors and authorised for issue on 27 April 2017 and are signed on its behalf by:

Mr M Focchi
Director

Company Registration No. 02997625

FOCCHI LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015	50,000	3,032,474	3,082,474
Period ended 31 December 2015:			
Profit and total comprehensive income for the year	-	91,541	91,541
Balance at 31 December 2015	50,000	3,124,015	3,174,015
Period ended 31 December 2016:			
Profit and total comprehensive income for the year	-	1,053,387	1,053,387
Dividends	-	(3,000,000)	(3,000,000)
Balance at 31 December 2016	50,000	1,177,402	1,227,402

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FOCCHI LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	22	6,060,492		1,225,039	
Income taxes paid		(24,663)		(13,024)	
Net cash inflow from operating activities		6,035,829		1,212,015	
Investing activities					
Purchase of tangible fixed assets		(121,320)		(3,026)	
Proceeds on disposal of tangible fixed assets		-		893	
Interest received		7,451		6,128	
Net cash (used in)/generated from investing activities		(113,869)		3,995	
Financing activities					
Dividends paid		(3,000,000)		-	
Net cash used in financing activities		(3,000,000)		-	
Net increase in cash and cash equivalents		2,921,960		1,216,010	
Cash and cash equivalents at beginning of year		1,988,113		772,103	
Cash and cash equivalents at end of year		4,910,073		1,988,113	

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Focchi Limited is a company limited by shares incorporated in England and Wales. The registered office is Sherlock House, 7 Kenrick Place, London, W1U 6HE.

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is generally recognised on a stage of completion basis for each individual project. The stages of completion are generally included in the contract for each individual project and a percentage of overall contract cost allocated at each stage.

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, the turnover and related costs as contract activity progresses.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the term of the lease
Fixtures, fittings & equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Curtain walls and facades	37,919,120	32,878,255
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2016 £	2015 £
United Kingdom	37,919,120	32,878,255
	<u> </u>	<u> </u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging:		
Exchange (gains)/losses	(372,544)	453,728
Fees payable to the company's auditors for the audit of the company's financial statements	9,500	8,000
Depreciation of owned tangible fixed assets	7,698	4,378
Loss on disposal of tangible fixed assets	-	2,139
Cost of stocks recognised as an expense	29,564,206	27,634,046
Operating lease charges	118,047	116,648
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
On site managers	3	4
Administration	6	5
	<u> </u>	<u> </u>
	9	9
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	641,298	514,172
Social security costs	74,954	61,728
Pension costs	1,279	-
	<u> </u>	<u> </u>
	717,531	575,900
	<u> </u>	<u> </u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	137,400	129,536
Company pension contributions to defined contribution schemes	160	-
	<u> </u>	<u> </u>
	137,560	129,536
	<u> </u>	<u> </u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	7,451	6,128

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,451	6,128
--	-------	-------

8 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	263,932	24,663
Deferred tax		
Origination and reversal of timing differences	3,675	-
Total tax charge	267,607	24,663

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	1,320,994	116,204
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	264,199	23,531
Non deductible expenses	3,676	2,035
Capital allowances	(3,677)	(776)
Deferred tax adjustment	3,675	-
Other tax adjustments	(266)	(127)
Tax expense for the year	267,607	24,663

9 Dividends

	2016 £	2015 £
Interim paid	3,000,000	-

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2016	-	26,360	50,206	76,566
Additions	103,465	17,855	-	121,320
At 31 December 2016	103,465	44,215	50,206	197,886
Depreciation and impairment				
At 1 January 2016	-	23,400	46,532	69,932
Depreciation charged in the year	3,996	1,655	2,047	7,698
At 31 December 2016	3,996	25,055	48,579	77,630
Carrying amount				
At 31 December 2016	99,469	19,160	1,627	120,256
At 31 December 2015	-	2,960	3,674	6,634

11 Stocks

	2016 £	2015 £
Long term contract balances: Net cost less foreseeable losses	19,265	846,148

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,813,250	2,952,388
Carrying amount of financial liabilities		
Measured at amortised cost	9,382,697	10,952,853

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,808,729	2,946,124
Amounts recoverable from long term contracts	2,049,567	5,975,647
Other debtors	4,521	6,264
Prepayments and accrued income	1,313,168	2,587,059
	7,175,985	11,515,094

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,196,479	535,852
Amount due to parent undertaking	2,978,338	1,564,489
Corporation tax	263,932	24,663
Other taxation and social security	1,347,873	204,458
Other creditors	2,989	3,323
Accruals and deferred income	5,204,891	8,849,189
	<u>10,994,502</u>	<u>11,181,974</u>

15 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	16	3,675	-
		<u>3,675</u>	<u>-</u>

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>3,675</u>	<u>-</u>
Movements in the year:		2016 £
Liability at 1 January 2016		-
Charge to profit or loss		3,675
Liability at 31 December 2016		<u>3,675</u>

The deferred tax liability set out above is expected to reverse within and relates to accelerated capital allowances that are expected to mature within the same period.

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

17 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,279	-

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,279 (2015 - £-).

18 Share capital

	2016 £	2015 £
Issued and fully paid		
50,000 Ordinary of £1 each	50,000	50,000

19 Operating lease commitments

Lessee

The operating leases represent rentals payable by the company for the leasehold property and equipment. The leases are negotiated for an average term of 20 years for the property and 5 years for equipment and rentals are fixed.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	424,392	110,000
Between two and five years	1,471,660	440,000
In over five years	-	55,000
	<u>1,896,052</u>	<u>605,000</u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who is also a director, is as follows.

	2016 £	2015 £
Aggregate compensation	137,400	115,954

Transactions with related parties

During the year, the company paid rent of £110,000 (2015: £110,000) on its office premises to Focchi Investments Limited, a related company also controlled by the Focchi family. The rent is charged on an arm's length basis.

No guarantees have been given or received.

21 Controlling party

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, 47824 Poggio Torriana, Rimini, Italy.

22 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	1,053,387	91,541
Adjustments for:		
Taxation charged	267,607	24,663
Investment income	(7,451)	(6,128)
(Gain)/loss on disposal of tangible fixed assets	-	2,139
Depreciation and impairment of tangible fixed assets	7,698	4,378
Movements in working capital:		
Decrease/increase in stocks	826,883	(184,575)
Decrease in debtors	4,339,109	856,513
(Decrease)/increase in creditors	(426,741)	436,508
Cash generated from operations	6,060,492	1,225,039