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Company Registration No. 02997625 (England and Wales)

FOCCHI LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2013

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COMPANIES HOUSE

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

FOCCHI LIMITED

COMPANY INFORMATION

Directors

Mr M Focchi
Mr R Phillips

Secretary

Mr R Phillips

Company number

02997625

Registered office

7 Kenrick Place
London
W1U 6HE

Auditors

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 2013

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

Principal activities and review of the business

Our company business trades exclusively in facades and curtain walls across the United Kingdom. During the year ended 31 December 2013, the company had increased its turnover in comparison to the previous year by 17.6%. 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. The financial position of the company is good as shown on the Balance Sheet as at 31 December 2013.

Principal risks and uncertainties

The 2013 accounts takes into consideration the risks and the uncertainties of the UK 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.

Fair review of the business

The key financial highlights are as follows:

	Year ended 31 December 2013 £	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Turnover	18,574,137	15,791,736	12,160,269
Turnover growth/(decline)	17.6%	29.7%	858.6%
Gross profit margin	3.01%	5.17%	3.79%
Profit before tax	59,410	71,641	41,563

As stated previously, the turnover has increased to £18.6 million (2012 : £15.8 million). The net profit margin of turnover has increased to 0.32% (2012 : 0.45%).

On behalf of the board


Mr M Focchi
Director
16 May 2014

FOCCHI LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their directors' report and financial statements for the year ended 31 December 2013.

Results and dividends

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

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 of 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 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 10% increase in turnover within the year 2014.

Directors

The following directors have held office since 1 January 2013:

Mr M Focchi

Mr R Phillips

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 2013

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:

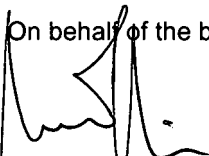
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

16 May 2014

FOCCHI LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOCCHI LIMITED

We have audited the financial statements of Focchi Limited for the year ended 31 December 2013 set out on pages 6 to 14. 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 2 - 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 2013 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 Strategic Report and 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

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

3 June 2014

FOCCHI LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	18,574,137	15,791,736
Cost of sales		(18,014,243)	(14,975,557)
Gross profit		559,894	816,179
Administrative expenses		(503,813)	(583,117)
Operating profit	3	56,081	233,062
Exceptional items			
Settlement for costs and damages	5	-	(162,500)
		-	(162,500)
Profit on ordinary activities before interest		56,081	70,562
Other interest receivable and similar income	4	3,329	1,079
Profit on ordinary activities before taxation		59,410	71,641
Tax on profit on ordinary activities	6	(12,181)	(16,197)
Profit for the year	12	47,229	55,444

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 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	7		12,279		9,539
Current assets					
Stocks	8	-		786,100	
Debtors	9	11,593,948		5,386,923	
Cash at bank and in hand		521,123		361,278	
		12,115,071		6,534,301	
Creditors: amounts falling due within one year	10	(9,094,069)		(3,557,788)	
Net current assets			3,021,002		2,976,513
Total assets less current liabilities			3,033,281		2,986,052
Capital and reserves					
Called up share capital	11	50,000		50,000	
Profit and loss account	12	2,983,281		2,936,052	
Shareholders' funds	13	3,033,281		2,986,052	

Approved by the Board and authorised for issue on 16 May 2014


Mr M Focchi
Director

Company Registration No. 02997625

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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, the 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 2013

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

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation of tangible assets	7,302	5,842
Loss on disposal of tangible assets	147	-
Loss on foreign exchange transactions	-	9,709
Operating lease rentals		
- Plant and machinery	3,819	4,472
- Other assets	110,000	110,000
Auditors' remuneration (including expenses and benefits in kind)	8,000	6,500
and after crediting:		
Profit on foreign exchange transactions	(91,889)	-

4 Investment income

	2013 £	2012 £
Bank interest	3,329	1,079
	<u>3,329</u>	<u>1,079</u>

5 Exceptional items

During 2012, 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 2013

6	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	12,181	16,197
	Total current tax	<u>12,181</u>	<u>16,197</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>59,410</u>	<u>71,641</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	<u>13,664</u>	<u>17,194</u>
	Effects of:		
	Non deductible expenses	1,276	1,148
	Depreciation add back	1,679	1,402
	Capital allowances	(2,647)	(1,412)
	Other tax adjustments	(1,791)	(2,135)
		<u>(1,483)</u>	<u>(997)</u>
	Current tax charge for the year	<u>12,181</u>	<u>16,197</u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2013	42,887	22,074	64,961
Additions	2,869	7,439	10,308
Disposals	(416)	-	(416)
At 31 December 2013	45,340	29,513	74,853
Depreciation			
At 1 January 2013	35,564	19,858	55,422
On disposals	(150)	-	(150)
Charge for the year	5,566	1,736	7,302
At 31 December 2013	40,980	21,594	62,574
Net book value			
At 31 December 2013	4,360	7,919	12,279
At 31 December 2012	7,323	2,216	9,539

8 Stocks

	2013 £	2012 £
Long term contract balances:		
- Net cost less foreseeable losses	-	786,100

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

9 Debtors	2013 £	2012 £
Trade debtors	1,312,330	1,052,043
Amounts recoverable on long term contracts	8,848,479	4,067,743
Other debtors	6,656	7,443
Prepayments and accrued income	1,426,483	259,694
	<u>11,593,948</u>	<u>5,386,923</u>

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

	2013 £	2012 £
Trade debtors	<u>507,536</u>	<u>420,639</u>

10 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	557,289	548,455
Amounts owed to parent and fellow subsidiary undertakings	3,003,637	1,675,458
Corporation tax	12,181	16,197
Other taxes and social security costs	714,040	227,626
Other creditors	106	1,219
Accruals and deferred income	4,806,816	1,088,833
	<u>9,094,069</u>	<u>3,557,788</u>

The bank overdraft is secured by a guarantee from the company.

Retentions of £23,316 (2012: £nil) which will be falling due after more than one year and included above in the total of trade creditors.

11 Share capital	2013 £	2012 £
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 2013

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2013	2,936,052
Profit for the year	47,229
	<u> </u>
Balance at 31 December 2013	<u>2,983,281</u>

13 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	47,229	55,444
Opening shareholders' funds	2,986,052	2,930,608
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>3,033,281</u>	<u>2,986,052</u>

14 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Between two and five years	-	-	4,770	4,770
In over five years	110,000	110,000	-	-
	<u>110,000</u>	<u>110,000</u>	<u>4,770</u>	<u>4,770</u>

15 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	<u>122,898</u>	<u>109,388</u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

16 Employees

Number of employees

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

	2013 Number	2012 Number
On site managers	5	3
Administration	4	4
	<u>9</u>	<u>7</u>

Employment costs

	2013 £	2012 £
Wages and salaries	512,547	476,801
Social security costs	62,650	58,781
	<u>575,197</u>	<u>535,582</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 - Poggio Torriana, 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 (2012 : £110,000) on its office premises to Focchi Investments Limited, a related company also controlled by the Focchi family.