

Company Registration No. 02997625 (England and Wales)

FOCCHI LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

BERLEY
CHARTERED ACCOUNTANTS
76 NEW CAVENDISH STREET
LONDON W1G 9TB

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FOCCHI LIMITED

COMPANY INFORMATION

Directors	Mr M Focchi Mr R Phillips
Secretary	Mr R Phillips
Company number	02997625
Registered office	Sherlock House 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 2014

The directors present their strategic report for the year ended 31 December 2014.

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 2014, the company had increased its turnover in comparison to the previous year by 23.9%. 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 both with forecasts and with the previous year. The financial position of the company is good as shown on the Balance Sheet as at 31 December 2014.

Principal risks and uncertainties

The 2014 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 2014 £	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Turnover	23,007,360	18,574,137	15,791,736
Turnover growth	23.9%	17.6%	29.7%
Gross profit margin	5.21%	3.01%	5.17%
Profit before tax	62,217	59,410	71,641

As stated previously, the turnover has increased to £23 million (2013: £18.6 million). The profit margin of turnover has decreased to 0.27% (2013: 0.32%).

On behalf of the board



Mr M Focchi
Director
30 April 2015

FOCCHI LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their directors' report and financial statements for the year ended 31 December 2014.

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 40% increase in turnover within the year 2015.

Directors

The following directors have held office since 1 January 2014:

Mr M Focchi

Mr R Phillips

Auditors

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

FOCCHI LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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
30 April 2015

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 2014 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 2014 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

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

27 May 2015

FOCCHI LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	23,007,360	18,574,137
Cost of sales		(21,808,448)	(18,014,243)
Gross profit		1,198,912	559,894
Administrative expenses		(1,144,676)	(503,813)
Other operating income		2,976	-
Operating profit	3	57,212	56,081
Other interest receivable and similar income	4	5,005	3,329
Profit on ordinary activities before taxation		62,217	59,410
Tax on profit on ordinary activities	5	(13,024)	(12,181)
Profit for the year	11	49,193	47,229

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 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6		11,018		12,279
Current assets					
Stocks	7	661,573		-	
Debtors	8	12,371,607		11,593,948	
Cash at bank and in hand		772,103		521,123	
		<u>13,805,283</u>		<u>12,115,071</u>	
Creditors: amounts falling due within one year	9	<u>(10,733,827)</u>		<u>(9,094,069)</u>	
Net current assets			3,071,456		3,021,002
Total assets less current liabilities			<u>3,082,474</u>		<u>3,033,281</u>
Capital and reserves					
Called up share capital	10		50,000		50,000
Profit and loss account	11		3,032,474		2,983,281
Shareholders' funds	12		<u>3,082,474</u>		<u>3,033,281</u>

Approved by the Board and authorised for issue on 30 April 2015


Mr M Focchi
Director

Company Registration No. 02997625

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 (except as otherwise stated).

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 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 cost.

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 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 2014

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	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	5,187	7,302
	Loss on disposal of tangible assets	-	147
	Loss on foreign exchange transactions	424,417	-
	Operating lease rentals		
	- Plant and machinery	3,825	3,819
	- Other assets	110,000	110,000
	Auditors' remuneration (including expenses and benefits in kind)	8,000	8,000
	and after crediting:		
	Profit on foreign exchange transactions	-	(91,889)

4	Investment income	2014 £	2013 £
	Bank interest	5,005	3,329
		<u>5,005</u>	<u>3,329</u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	13,024	12,181
		<u> </u>	<u> </u>
	Total current tax	13,024	12,181
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	62,217	59,410
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 23.00%)	12,443	13,664
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	526	1,276
	Depreciation add back	1,037	1,679
	Capital allowances	(982)	(2,647)
	Other tax adjustments	-	(1,791)
		<u> </u>	<u> </u>
		581	(1,483)
		<u> </u>	<u> </u>
	Current tax charge for the year	13,024	12,181
		<u> </u>	<u> </u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2014	45,340	29,513	74,853
Additions	3,482	444	3,926
	<u>48,822</u>	<u>29,957</u>	<u>78,779</u>
At 31 December 2014			
Depreciation			
At 1 January 2014	40,980	21,594	62,574
Charge for the year	3,043	2,144	5,187
	<u>44,023</u>	<u>23,738</u>	<u>67,761</u>
At 31 December 2014			
Net book value			
At 31 December 2014	4,799	6,219	11,018
	<u>4,360</u>	<u>7,919</u>	<u>12,279</u>
At 31 December 2013			

7 Stocks

	2014 £	2013 £
Long term contract balances:		
- Net cost less foreseeable losses	661,573	-

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Debtors	2014 £	2013 £
Trade debtors	1,765,256	1,312,330
Amounts recoverable on long term contracts	8,515,448	8,848,479
Other debtors	262,258	6,656
Prepayments and accrued income	1,828,645	1,426,483
	<u>12,371,607</u>	<u>11,593,948</u>

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

	2014 £	2013 £
Trade debtors	<u>427,211</u>	<u>507,536</u>

9 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	682,619	557,289
Amounts owed to parent and fellow subsidiary undertakings	3,377,007	3,003,637
Corporation tax	13,024	12,181
Other taxes and social security costs	20,883	714,040
Other creditors	3,302	106
Accruals and deferred income	6,636,992	4,806,816
	<u>10,733,827</u>	<u>9,094,069</u>

Retentions of £2,836 (2013: £23,316) which will be falling due after more than one year and included above in the total of trade creditors.

10 Share capital	2014 £	2013 £
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 2014

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	2,983,281
Profit for the year	49,193
Balance at 31 December 2014	<u>3,032,474</u>

12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	49,193	47,229
Opening shareholders' funds	<u>3,033,281</u>	<u>2,986,052</u>
Closing shareholders' funds	<u>3,082,474</u>	<u>3,033,281</u>

13 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Operating leases which expire:				
Between two and five years	-	-	5,317	4,770
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>5,317</u>	<u>4,770</u>

14 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	<u>134,796</u>	<u>122,898</u>

FOCCHI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15 Employees

Number of employees

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

	2014 Number	2013 Number
On site managers	4	5
Administration	5	4
	<u>9</u>	<u>9</u>
Employment costs	2014	2013
	£	£
Wages and salaries	547,297	512,547
Social security costs	64,072	62,650
	<u>611,369</u>	<u>575,197</u>

16 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, 47824 Poggio Torriana, Rimini, Italy.

17 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 (2013: £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.