

FAAC (UK) Limited

Registered number: 01875607

Directors' report and financial statements

For the year ended 31 December 2014

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FAAC (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	A Marcellan W Walker
COMPANY SECRETARY	Clarks Nominees Limited
REGISTERED NUMBER	01875607
REGISTERED OFFICE	Unit 10 The Hatch Industrial Park Basingstoke Hampshire RG24 7NG
AUDITOR	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
BANKERS	Natwest Basingstoke Hampshire RG21 7NS

FAAC (UK) LIMITED

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FAAC (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

BUSINESS REVIEW

The principal activities of the company is the distribution of automation systems for doors, gates, turnstiles and barriers and the provision and maintenance of revenue parking systems.

The company operates two business units, one in the access automation sector and the other in the parking sector.

The Access Automation unit delivered good growth in the year and the Parking unit showed a small revenue increase. Both units produced improved profitability and the prospects for 2015 are good.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties that face the group are broadly competitive and financial.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key financial and other performance Indicators during the year were as follows

	2014 £'000	2013 £'000	Change %
Turnover			
Access Automation	8,983	8,816	2
Parking	4,468	4,226	6
Total	13,451	13,042	3
Operating profit	2,032	1,472	38
Profit after tax	1,572	1,015	55
Shareholder's funds	4,190	3,598	16
Current assets as % current liabilities	127%	107%	19
Average number of employees	69	65	6

Turnover in the Access Automation business unit continued to grow at a healthy rate of 2%, this was supported by the Parking business unit showed a 6% increase in turnover. Operating profit and profit after tax showed a large increase which is due to an increase in turnover and a decrease in administrative expenses.

Shareholders funds increased in line with retained profit, a dividend of £1,000,000 having been declared, during 2014.

The ratio of current assets to current liabilities improved throughout the year.

The average number of employees remains stable.

Competitive risks

In the Parking business unit there is a risk to the renewal of maintenance contracts, when a customer goes to tender for replacement / renewal of the parking system.

In the Access Automation business unit there is a competitive market and risks are associated with the continued supply of innovative and reliable products that meet market demand.

FAAC (UK) LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

Financial Risks

Controls are in place to manage debts with clients, but on occasion a bad debt is incurred, due to matters beyond our control.

Employment of disabled persons

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitude and abilities. Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where applicable or retrained for suitable alternative posts.

Employee Information

Regular meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well-informed about progress and position of the group by means of regular departmental meetings.

This report was approved by the board on 26-11-15 and signed on its behalf by.



W Walker
Director

FAAC (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

A review of the business including employee information, principle risks and uncertainties and key performance indicators are not shown in the Directors report as this information is included in the Strategic report under S414C(11) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,591,972 (2013 - £1,015,392).

An interim dividend of £1,000,000 was paid during the year (2013 - £nil)

DIRECTORS

The directors who served during the year were:

A Marcellan
W Walker

FUTURE DEVELOPMENTS

The directors forecast continued growth in Access Automation and have broadened the company's Parking portfolio to address challenging trading conditions in this sector.

FAAC (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 26-11-15 and signed on its behalf.



W Walker
Director

FAAC (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAAC (UK) LIMITED

We have audited the financial statements of FAAC (UK) Limited for the year ended 31 December 2014 which comprise the Profit and Loss account, the Balance sheet and the related notes. 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).

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. 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE 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 THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

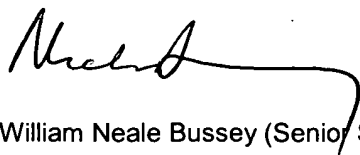
FAAC (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE M OF FAAC (UK) 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.



William Neale Bussey (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 4 DECEMBER 2015

FAAC (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER	1,2	13,451,166	13,042,114
Cost of sales		<u>(6,927,967)</u>	<u>(6,744,535)</u>
GROSS PROFIT		6,523,199	6,297,579
Distribution costs		(454,345)	(467,106)
Administrative expenses		<u>(4,036,466)</u>	<u>(4,358,285)</u>
OPERATING PROFIT	3	2,032,388	1,472,188
Interest receivable and similar income		<u>8,293</u>	<u>8,127</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,040,681	1,480,315
Tax on profit on ordinary activities	6	<u>(448,709)</u>	<u>(464,923)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u><u>1,591,972</u></u>	<u><u>1,015,392</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 18 form part of these financial statements.

FAAC (UK) LIMITED

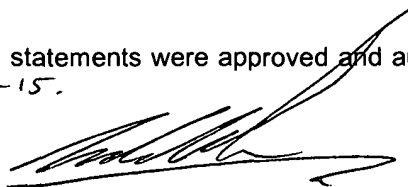
Registered number: 01875607

**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	7		500,119		900,213
Tangible assets	8		294,586		223,690
Investments	9		<u>2,165,148</u>		<u>2,595,648</u>
			2,959,853		3,719,551
CURRENT ASSETS					
Stocks	10	1,470,945		1,560,335	
Debtors	11	3,865,314		3,664,826	
Cash at bank		<u>1,371,237</u>		<u>2,725,474</u>	
		6,707,496		7,950,635	
CREDITORS: amounts falling due within one year	12	<u>(5,273,447)</u>		<u>(7,437,756)</u>	
NET CURRENT ASSETS			<u>1,434,049</u>		<u>512,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,393,902		4,232,430
CREDITORS: amounts falling due after more than one year	13		<u>(203,700)</u>		<u>(634,200)</u>
NET ASSETS			<u>4,190,202</u>		<u>3,598,230</u>
CAPITAL AND RESERVES					
Called up share capital	14		100,000		100,000
Profit and loss account	15		<u>4,090,202</u>		<u>3,498,230</u>
SHAREHOLDERS' FUNDS	16		<u>4,190,202</u>		<u>3,598,230</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26-11-15.

W Walker
Director



The notes on pages 9 to 18 form part of these financial statements.

FAAC (UK) LIMITED

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss account over its estimated economic life.

1.6 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% to 40% straight line
Motor vehicles	-	25% to 33% straight line
Fixtures and fittings	-	7% to 33% straight line

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

FAAC (UK) LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

2. TURNOVER

Turnover is attributable to the one principal activity of the company. In the year ended 31 December 2014 3% (2013: 5%) of turnover was to markets outside the UK.

FAAC (UK) LIMITED

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

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation - intangible fixed assets	400,094	400,095
Depreciation of tangible fixed assets	82,141	98,595
Auditor's remuneration	13,500	13,500
Auditor's remuneration - non-audit	7,400	3,000
Profit on disposal of fixed assets	(9,600)	-
Operating lease rentals:		
- land and buildings	230,275	330,816
- plant and machinery	104,340	38,233
Difference on foreign exchange	<u>14,056</u>	<u>2,220</u>

4. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	123,810	107,371
Company contributions paid to defined contribution pension schemes	<u>46,129</u>	<u>63,272</u>

During the year retirement benefits were accruing to 1 director (2013: 1) in respect of defined contribution pension schemes.

5. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,130,682	2,126,819
Social security costs	242,956	243,623
Other pension costs	46,129	38,471
	<u>2,419,767</u>	<u>2,408,913</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Technical	36	34
Distribution	4	4
Administration	29	27
	<u>69</u>	<u>65</u>

FAAC (UK) LIMITED

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

6. TAXATION

	2014 £	2013 £
Current tax on income for the period	520,833	467,254
Adjustment to tax charge in respect of prior periods	(72,124)	(2,331)
UK corporation tax charge on profit for the year	<u>448,709</u>	<u>464,923</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 – higher than) the standard rate of corporation tax in the UK of 23.25% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>2,040,681</u>	<u>1,480,315</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	438,607	344,173
Effects of:		
Expenses not deductible for tax purposes	88,149	116,479
Depreciation (less than) / in excess of capital allowances	(5,461)	5,390
Adjustment to tax charge in respect of prior periods	(72,124)	(2,331)
Other differences leading to a (decrease)/increase in tax charge	(462)	1,212
Current tax charge for the year	<u>448,709</u>	<u>464,923</u>

FAAC (UK) LIMITED

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

7. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	<u>1,700,403</u>
Amortisation	
At 1 January 2014	800,190
Charge for the year	<u>400,094</u>
At 31 December 2014	<u>1,200,284</u>
Net book value	
At 31 December 2014	<u>500,119</u>
At 31 December 2013	<u>900,213</u>

Goodwill arising on the acquisition of Zeag Parking Limited is being amortised evenly over the directors' estimate of its useful economic life of 4 years and 3 months.

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2014	110,696	102,382	355,763	568,841
Additions	18,700	107,481	27,404	153,585
Disposals	<u>-</u>	<u>(52,295)</u>	<u>(111,710)</u>	<u>(164,005)</u>
At 31 December 2014	<u>129,396</u>	<u>157,568</u>	<u>271,457</u>	<u>558,421</u>
Depreciation				
At 1 January 2014	75,169	87,387	182,595	345,151
Charge for the year	8,111	25,188	48,842	82,141
On disposals	<u>-</u>	<u>(52,295)</u>	<u>(111,162)</u>	<u>(163,457)</u>
At 31 December 2014	<u>83,280</u>	<u>60,280</u>	<u>120,275</u>	<u>263,835</u>
Net book value				
At 31 December 2014	<u>46,116</u>	<u>97,288</u>	<u>151,182</u>	<u>294,586</u>
At 31 December 2013	<u>35,527</u>	<u>14,995</u>	<u>173,168</u>	<u>223,690</u>

FAAC (UK) LIMITED

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

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	<u>2,802,068</u>
Impairment	
At 1 January 2014	206,420
Charge for the year	<u>430,500</u>
At 31 December 2014	<u>636,920</u>
Net book value	
At 31 December 2014	<u>2,165,148</u>
At 31 December 2013	<u>2,595,648</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Door and Shutter Services (Glasgow) Limited ("DSS")	Ordinary	70 %
Name	Business	Registered office
Door and Shutter Services (Glasgow) Limited ("DSS")	Automatic door supplier	Nerston Industrial Estate

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Loss £
Door and Shutter Services (Glasgow) Limited ("DSS")	<u>223,910</u>	<u>52,360</u>

In 2012 the company acquired 70% of the issued share capital of DSS. Under the terms of the sale and purchase agreement the company also entered into matching put and call options over the remaining 30% at an option price that is dependent on the future financial performance of DSS. The company has therefore accounted for the acquisition of 100% of DSS, with the estimated option price treated as contingent deferred consideration. This deferred consideration has been impaired by £430,500 in the period.

FAAC (UK) LIMITED

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

10. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>1,470,945</u>	<u>1,560,335</u>

11. DEBTORS

	2014 £	2013 £
Trade debtors	2,684,735	3,202,472
Amounts owed by group undertakings	1,011,365	303,760
Prepayments and accrued income	169,214	158,594
	<u>3,865,314</u>	<u>3,664,826</u>

12. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	231,438	309,738
Amounts owed to group undertakings	3,388,825	5,326,224
Corporation tax	233,981	232,257
Other taxation and social security	747,621	706,643
Accruals and deferred income	671,582	862,894
	<u>5,273,447</u>	<u>7,437,756</u>

13. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Deferred contingent consideration (note 9)	<u>203,700</u>	<u>634,200</u>

14. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

FAAC (UK) LIMITED

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

15. RESERVES

	Profit and loss account £
At 1 January 2014	3,498,230
Profit for the financial year	1,591,972
Dividends	(1,000,000)
At 31 December 2014	<u>4,090,202</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	3,598,230	2,582,838
Profit for the financial year	1,591,972	1,015,392
Dividends (Note 17)	(1,000,000)	-
Closing shareholders' funds	<u>4,190,202</u>	<u>3,598,230</u>

17. DIVIDENDS

	2014 £	2013 £
Dividends paid of £10 per share	<u>1,000,000</u>	<u>-</u>

18. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to employee's own schemes which amounted to £46,129 (2013: £38,471). Contributions totalling £18,893 (2013: £17,503) were payable at the balance sheet date and are included in creditors.

FAAC (UK) LIMITED

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

19. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	16,101	16,202
Between 2 and 5 years	-	-	43,207	87,010
After more than 5 years	<u>230,275</u>	<u>230,275</u>	<u>-</u>	<u>-</u>

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in the Financial Reporting Standard 8 from the requirement to disclose transactions with wholly owned members of the FAAC SpA group.

During 2014 FAAC made sales of £416,714 (2013: £494,532) to DSS, a subsidiary company, and made purchases of £10,218 (2013: £12,536) from DSS. At 31 December 2014 a balance of £752,149 (31 December 2013: £289,403) was due from DSS.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider that the company's immediate and ultimate parent company is FAAC SpA, which is registered in Italy.

FAAC SpA is the parent company of the largest and smallest group of which this company is a member and for which group accounts are prepared. FAAC SpA lodges the group accounts with Camera di Commercio Industria Agricoltura e Artigianato, Ufficio Imprese, Piazza della Costituzione, 40100 Bologna, Italy.

The directors consider the company's controlling party to be the Archdiocese of Bologna, Italy.