

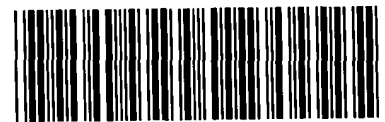
FARID UK Limited

Annual report  
for the year ended

31 December 2016

Registered no: 02673962

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# **FARID UK Limited**

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**Directors and advisors**

**Directors**

Marco Orecchia  
Gerolamo Orecchia  
Charles Clinch

**Company secretary**

Charles Clinch

**Registered office**

Farid House  
Rudford Industrial Estate  
Ford Road  
West Sussex  
BN18 0BF

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

**Bankers**

Barclays Bank  
Chapel Road  
Worthing  
BN11 1EX

**Lawyers**

Irwin Mitchell  
Belmont House  
Station Way  
Crawley  
RH10 1JA

**Directors' report for the year ended 31 December 2016**  
**Company registration number 02673962**

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

**Business review, principal activities and future developments**

The company operates as an investment holding company. Its investment is in the trading company FARID Hillend Engineering Limited, whose principal activity is the manufacture and service of refuse collection equipment. The principal activity of the company remained unchanged throughout the year and the directors do not anticipate any change in the principal activity in the foreseeable future.

A final dividend of £200,000 in respect of FARID Hillend Engineering Limited for the year ended 31 December 2015 was declared on 21 April 2016. On the same date, a final dividend in respect of the company for the year ended 31 December 2015 of £200,000 was declared. Therefore, there will be no reserves absorbed within the company. The dividends have been accounted for within the current year financial statements as they were not declared until after the 2015 balance sheet date.

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Marco Orecchia  
Charles Clinch  
Gerolamo Orecchia

**Statement of directors' responsibilities**

The directors are responsible for preparing 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102).

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;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

**Directors' report for the year ended 31 December 2016**  
**Company registration number 02673962 (continued)**

- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

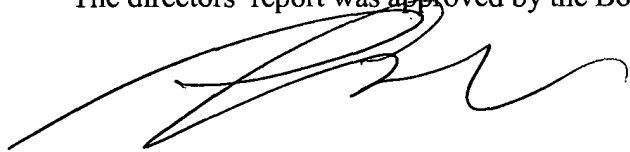
**Independent Auditors and disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the companies Act 2006 and as such a strategic report is not presented.

The directors' report was approved by the Board of Directors and signed on its behalf by:



**Charles Clinch**  
Director

Dated: 12 June 2017

***Independent auditors' report to the members of  
FARID UK Limited***

**Report on the financial statements**

**Our opinion**

In our opinion, FARID UK Limited's financial statements (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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**What we have audited**

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Income and Retained Earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

## ***Independent auditors' report to the members of FARID UK Limited (continued)***

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

***Independent auditors' report to the members of  
FARID UK Limited (continued)***

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' Report, we consider whether that report includes the disclosures required by applicable legal requirements.



Mark Hoskyns-Abraham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
12 June 2017



**Statement of Income and Retained Earnings  
for the year ended 31 December 2016**

	Note	2016 £	2015 £
Income on investment	7	<u>200,000</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		<b>200,000</b>	<b>-</b>
Tax on profit on ordinary activities	2	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<b>200,000</b>	<b>-</b>
Retained earnings at the beginning of the year		<b>396,397</b>	<b>396,397</b>
Dividends paid		<u>(200,000)</u>	<u>-</u>
<b>Retained Profit at the end of the year</b>	4	<u><b>396,397</b></u>	<u><b>396,397</b></u>

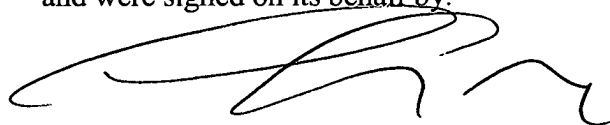
The notes on page 9 to 12 are an integral part of these financial statements.

**Balance Sheet as at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	6	2,392,850	2,392,850
		<u>2,392,850</u>	<u>2,392,850</u>
<b>Total assets less current liabilities</b>		<u>2,392,850</u>	<u>2,392,850</u>
<b>Net assets</b>		<u>2,392,850</u>	<u>2,392,850</u>
<b>Capital and reserves</b>			
Called up share capital	3	1,996,453	1,996,453
Profit and loss account	4	396,397	396,397
<b>Total shareholders' funds</b>	5	<u>2,392,850</u>	<u>2,392,850</u>

The notes on page 9 to 12 are an integral part of these financial statements.

The financial statements on pages 7 to 12 were approved by the board of directors on and were signed on its behalf by:



**Charles Clinch**  
**Director**

## **Notes to the financial statements for the year ended 31 December 2016**

### **1 Accounting policies**

#### **General information**

FARID UK Limited is a private limited company limited by shares. The address of its registered office is Farid House Rudford Industrial Estate, Ford Road, Ford Arundel West Sussex BN18 0BF.

The principal activity of FARID UK Limited (the “company”) is that of an investment holding company.

#### **Statement of compliance**

The individual financial statements of FARID UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

#### **Summary of significant accounting policies**

The principal accounting policies, which have been applied consistently throughout the year, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation**

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is exempt from the requirement to prepare consolidated group financial statements under section 400(2) and section 401(2) of the Companies Act 2006, hence these financial statements present information about the company as an individual undertaking and not about its group.

#### **Going Concern**

The directors have a reasonable expectation that the company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the company’s shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. FARID UK Limited is a qualifying entity as its results are consolidated into the financial statements of FEG Brivio Spa which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102; and

## Notes to the financial statements for the year ended 31 December 2016 (continued)

iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102.

### Taxation

Current tax is provided at amounts expected to be paid or (recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised are not discounted.

### Investments

Investments are stated at cost less provision for any impairment. The carrying value of investment will be reviewed annually for impairment and adjusted to recoverable amount if required.

### Dividends

Revenue is recognised when the company's right to receive payment is established.

### Audit fees

The audit fee for the year was borne by a subsidiary, FARID Hillend Engineering Limited.

## 2 Tax on profit on ordinary activities

The tax assessed on the profit on ordinary activities for the year is lower than (2015: equal to) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	£	£
<b>Current tax:</b>		
Total tax per income statement	-	-
The charge for the year can be reconciled to the profit per the statement of income and retained earnings as follows:		
Profit for the period – continuing operations	200,000	-
Tax on profit at standard UK tax rate of 20% (2015: 20.25%)	40,000	-
Effects of:		
Income not subject to tax	(40,000)	-
<b>Tax charge for the period</b>	-	-

A deferred tax asset of £939 has not been recognised on the basis that there is insufficient evidence that the asset will be recoverable.

**Notes to the financial statements  
for the year ended 31 December 2016 (continued)**

**3 Called up share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
200,000 (2015:200,000) Ordinary shares of £1 each	200,000	200,000
1,796,453 (2015:1,796,453) Redeemable Preference shares of £1 each	1,796,453	1,796,453
	<u>1,996,453</u>	<u>1,996,453</u>

**4 Profit and loss account**

	2016 £	2015 £
At 1 January	396,397	396,397
Profit for the financial year	200,000	-
Dividends paid	(200,000)	-
At 31 December	<u>396,397</u>	<u>396,397</u>

**5 Reconciliation of movements in shareholders' funds**

	2016 £	2015 £
At 1 January	2,392,850	2,392,850
Profit for the financial year	200,000	-
Dividends paid	(200,000)	-
At 31 December	<u>2,392,850</u>	<u>2,392,850</u>

**Notes to the financial statements  
for the year ended 31 December 2016 (continued)**

**6 Investments**

	2016	2015
	£	£
Cost and net book value		
At 31 December	<u>2,392,850</u>	<u>2,392,850</u>

The company owns 100% of the equity share capital of FARID Hillend Engineering Limited (2015: 100%) which has its registered address at Taxi Way, Hillend Industrial Estate, Dunfermline, Fife, KY11 9ES.

The directors believe that the carrying value of the investment is supported by its underlying net assets.

**7 Income on Investments**

	2016	2015
	£	£
Dividends	<u>200,000</u>	<u>-</u>

A final dividend of £200,000 in respect of FARID Hillend Engineering Limited for the year ended 31 December 2015 was declared and paid on 21 April 2016.

**8 Dividend note**

Dividends declared and paid of £200,000 (2015: £nil). A Final dividend of £200,000 in respect of the company for the year ended 31 December 2015 was declared on 21 April 2016.

**9 Ultimate parent undertaking and controlling party**

The immediate parent undertaking and controlling party is FEG Brivio Spa, a company incorporated in Italy.

FEG Brivio Spa is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of FEG Brivio Spa are available from its registered office FEG Brivio Spa, Corso Re Umberto 1, Turin, Italy.

**10 Related party relationships and transactions**

As the company is a wholly owned subsidiary of FEG Brivio Spa, it has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned.