

FARID UK Limited

Annual report
for the year ended

31 December 2017

Registered no: 02673962

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FARID UK Limited

Contents

Directors and advisors	1
Directors' report for the year ended 31 December 2017	2-3
Independent auditors' report to the members of FARID UK Limited	4-6
Statement of Income and Retained Earnings for the year ended 31 December 2017	7
Balance sheet as at 31 December 2017	8
Notes to the financial statements for the year ended 31 December 2017	9-12

Directors and advisors

Directors

Marco Orecchia
Gerolamo Orecchia
Charles Clinch

Company secretary

Charles Clinch

Registered office

Farid House
Rudford Industrial Estate
Ford Road
Ford
Arundel
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 2017
Company registration number 02673962

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

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.

There were no dividends declared or paid during the year (2016: £200,000).

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 2017
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.

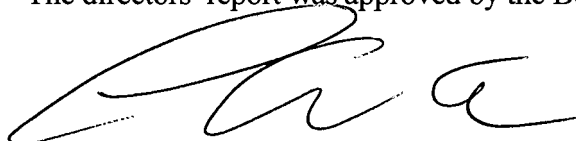
Independent Auditors and disclosure of information to auditors

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: 22/5/18

Independent auditors' report to the members of FARID UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, FARID UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2017; the statement of income and retained earnings; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report to the members of FARID UK Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the

other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of FARID UK Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

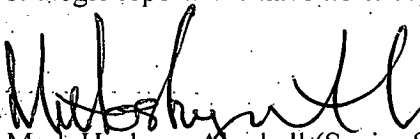
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh 22 May 2018

**Statement of Income and Retained Earnings
for the year ended 31 December 2017**

	Note	2017 £	2016 £
Income on investment	7	-	200,000
Profit on ordinary activities before taxation		-	200,000
Tax on profit on ordinary activities	2	-	-
Results/profit for the financial year		-	200,000
Retained earnings at the beginning of the year		396,397	396,397
Dividends paid		-	(200,000)
Retained earning at the end of the year	4	396,397	396,397

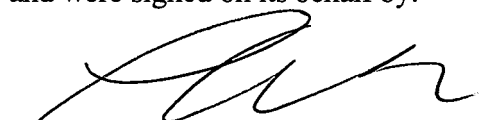
The notes on pages 9 to 12 are an integral part of these financial statements.

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	6	2,392,850	2,392,850
		<u>2,392,850</u>	<u>2,392,850</u>
Total assets less current liabilities		<u>2,392,850</u>	<u>2,392,850</u>
Net assets		<u>2,392,850</u>	<u>2,392,850</u>
Capital and reserves			
Called up share capital	3	1,996,453	1,996,453
Profit and loss account	4	396,397	396,397
Total shareholders' funds	5	<u>2,392,850</u>	<u>2,392,850</u>

The notes on pages 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 22/1/18 and were signed on its behalf by:



Charles Clinch
Director

Notes to the financial statements for the year ended 31 December 2017**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 2017 (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

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

Audit fees

The audit fee for the year was borne by its 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 (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017	2016
	£	£
Current tax:		
Total tax per income statement and retained earnings	-	-
The charge for the year can be reconciled to the profit per the statement of income and retained earnings as follows:		
Profit for the year – continuing operations	-	200,000
Tax on profit at standard UK tax rate of 19.25% (2016: 20%)	-	40,000
Effects of:		
Income not subject to tax	-	(40,000)
Tax charge for the year	-	-

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 2017 (continued)**

3 Called up share capital

	2017 £	2016 £
Allotted, called up and fully paid		
200,000 (2016:200,000) Ordinary shares of £1 each	200,000	200,000
1,796,453 (2016:1,796,453) 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

	2017 £	2016 £
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 total shareholders' funds

	2017 £	2016 £
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 2017 (continued)**

6 Investments

	2017	2016
	£	£
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 (2016: 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 future cashflow projections.

7 Income on Investment

	2017	2016
	£	£
Dividends	<u>-</u>	<u>200,000</u>

No dividends were declared or paid during the year (2016: £200,000) in respect of FARID Hillend Engineering Limited for the year ended 31 December 2017.

8 Dividend note

No dividends were declared or paid in the year (2016: £200,000).

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.