Company Registration No. 02874877

FK FACADES LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2023

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F. Keenan	Chairman
F.A. Keenan	Chief Executive Officer
P.G. Bentley	
M. Barker	
M. Lang	
R. Robinson	

SECRETARY

M.J. Brown

REGISTERED OFFICE

Keenan House
22-26 Stockport Road
Altrincham
Cheshire
WA15 8EX

SOLICITOR

Kuit Steinart Levy LLP
3 St. Mary's Parsonage
Manchester
M3 2RD

BANKER

HSBC Bank plc
2nd Floor
Landmark
St Peters Square
1 Oxford Street
Manchester
M1 4PB

AUDITOR

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester
M4 4AH

STRATEGIC REPORT

The directors present their strategic report on the affairs of the Company together with the directors' report, financial statements and auditor's report for the year ended 31 March 2023.

The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006.

STRATEGIC REVIEW AND PRINCIPAL ACTIVITIES

The Company's principal activity is the design and installation of external building facade solutions in the UK. The Company's aim is to be the UK's leading provider curtain walling and rainscreen solutions. The Company's key market sectors are commercial, residential high-rise developments. The directors are not aware, at the date of this report, of any likely changes to the Company's activities in the forthcoming year.

The Company has generated a pre tax profit of £55,713 (2022:£278,401). The current year's tax charge has reduced the Company's net asset position to £11,425,765 (2022:£11,564,457).

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The business uses a number of key performance indicators in assessing and driving performance, as shown below:

	2023	2022
Gross profit margin	18.77%	17.64%
Operating profit margin	0.85%	1.75%
Liquidity (current ratio)	0.99	0.98

The Company has generated a pre tax profit of £55,713 (2022:£278,401). However, after taxation, results for the year were a loss of £138,693 (2022: profit of £476,482) and thus the Company's net asset position has reduced to £11,425,765 from £11,564,457 in 2022.

Gross margin achieved has increased to 18.77% (2022: 17.64%) which was due to several large contracts being in the design phase. This has been offset by an increase in overheads relating to the associated design costs incurred on these contracts and due to the increased interest cost based on the level of overdraft utilised in the year.

The supply of materials has normalised in the year, although the significant increase in inflation has impacted the cost of labour and the purchase cost of ancillary products as these cannot be bulk ordered.

The operating profit margin decreased due the increase in costs associated with the design phases. Also, the additional costs associated with the increased inflationary environment and cost of living pressures have impacted the overhead spend in the year.

The Company has a 98% secured orderbook to 31st March 2024 and a 35% secured orderbook of works to 31st March 2025.

The liquidity of the Company has remained consistent compared with the prior year, this is due to the directors close management of the working capital requirements of the business. The reduced appetite from credit insurers in the construction market along with the factors affecting trading conditions as noted above has resulted in the business utilising more of it's working capital facility during this period. The effective management of cash by the directors along with the continued support of it's banking partner has enabled the company to navigate the years trading conditions and challenges without the need for any additional funding requirements.

The balance sheet on page 13 shows, in the opinion of the directors, a strong financial position at the year-end demonstrating the solid financial position of the Company, even though the company has net current liabilities. The net current liabilities is driven by the intercompany balances within the group, these have been negated in the financial statements of FK Group which shows a net current assets position.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates in a competitive market. The Company manages this risk by providing value-added services to its customers, responding rapidly to their requests, and finishing all jobs to a high standard of quality. This ensures that the Company achieves a very high level of repeat business, leading to transparency of pipeline. Subsequently this allows us to achieve our strategy of stable and sustainable growth.

The Company continues to have a strong secured order book, continuing deep relationships with our principal customers, will go a long way towards our Company continuing to trade successfully and gain more opportunities in broader market sectors.

Internal audits are completed to ensure continued compliance. Inflationary pressures are being mitigated as far as is practicable by entering into fixed price agreements with certain components of the building systems.

Risks to the market in which the company operates inherently come from the competitive nature of the industry, with factors such as price of raw materials, labour only subcontractors and competitor margins. These risks are mitigated well by the company by ensuring each job is completed to an excellent standard. Thus, ensuring that repeat business is won securing our orderbook into the coming years. Risks within the macro environment, being supply chain and price of materials always remains at the forefront of the company's discussions and strategy of a fixed price policy being adhered to where possible. The stabilising of material and labour supply along with the normalisation of prices has enabled the company to effectively price and forecast margins for new contracts. Inflationary increases have been priced into current tendering process and the company continues to operate a fix priced policy for the main system components. This has materialised in the year to 31 March 24 with "On Pitch" performance of contracts producing the desired margins.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to be stable for the forthcoming year and have also successfully secured a number of unitised contracts that will see site operations in the forthcoming year. There are a large number of opportunities with our key clients reflecting their confidence in our ability to deliver full external facade solutions.

REVIEW OF DEVELOPMENTS

With a strong forward order book and strong and long-standing relationships with customers and developers, the directors believe that the Company can continue its strategy of sustainable level of trading in the next financial year.

The FK Group and its subsidiaries have been rewarded for its ability to handle a variety of projects in receiving the RoSPA Presidents Award for Occupational Health and Safety. This is recognition for outstanding health and safety performance at work over a period of 11 consecutive years.

The Company continues to develop and invest in innovation in order to give the best product and supply offering to its clients.

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT
The directors have complied with the requirements of Section 172(1) of the Companies Act 2006. The directors have the duty to promote the success of the Company for the benefit of all stakeholders and engage with them, where necessary, when formulating plans and acting on decisions

Principal Objectives
The Company's principal objectives are to maintain its position as the UK leading installer of external and internal facade solutions. To achieve these objectives, the Company has the following key strategies:

- Maintain health, safety, security and environmental excellence; this is reflected in the FK Group's RoSPA award;
- Maintain quality in the product installs and the supply chain;
- Maintain and grow the Company's leadership positions to enhance competitiveness;
- Reduce costs and realise synergies;
- Maximise utilisation of assets;
- Continue to develop ideas and remain flexible to changing market demands;
- Pursue value-enhancing opportunities; and
- Develop and implement a sustainable business.

The directors believe these are critical long-term factors for the success of the Company. The directors' decision making has supported the implementation of the strategy. The Company aims to operate and develop its business in a way that supports both the current and future needs, considering relevant economic, environmental and social factors. This enables the Company to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Company's leading position in the market.

Stakeholder considerations
Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Company engages in regular, open and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns and needs. In this way, the Company has the ability to integrate stakeholder's considerations into business decision-making processes. Dialogue with stakeholders gives the Company the opportunity to explain its clear and committed approach to sustainability as well as the value of the Company's work, products and services for society. The company directors give quarterly updates to the staff and our marketing partner sends out company achievements and future plans on a regular basis. The company also hosts an annual supplier day to give the supply chain the chance to engage with senior management, Q&A sessions and future work pipelines. The company continues with regular updates with our banking partner and prepares biannual presentations for the credit insurance market.

Key stakeholders contribute to the Company's economic, social and environmental performance. Stakeholders include customers, suppliers, employees, financial experts and rating agencies, local communities, industry associations, and value chain partners. As the UK's premier installer of building envelope solutions, the Company adopts a holistic approach to looking at its entire value chain – from design, procurement, deliveries to site, and final installation.

As the UK's leading installer of external facade solutions, the Company adopts a holistic approach to looking at its entire value chain – from design, procurement, deliveries to site, and final installation.

The Company is very conscious of changing attitudes to climate change and monitors its impact on the environment and the potential impacts of climate change on its business, whether arising from regulatory change, changes in demand and technological advancements in products and design. These matters are considered by the directors in making decisions and in assessing the long-term viability of the business.

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT (continued)

Employees

The Company recognises that its employees are key assets of the business and invests heavily in training courses and internal career mentoring for the staff. The Company also has established the FK Academy which is an apprenticeship scheme set up to attract and train people into the construction industry. The company has started a program of employee one to one engagements and satisfaction surveys to gain feedback as well as regular companywide updates.

Customers

The Company has a track record of establishing and maintaining good, positive and long-standing relationships with its customers. These relationships along with FK's reputation for excellent customer service and delivery of projects has led to repeat business and longevity within its orderbook. The Company places importance on working closely with its clients to help them deliver high quality projects safely, and in a timely manner. The senior management have regular progress meetings with customers to ensure any issues are dealt and updates progress updates are communicated.

Suppliers

The Company's supply chain and subcontractors are a key part of the business that helps to ensure the quality delivery of its projects. The Company adopts long term mutual relationships with its key suppliers to ensure quality and surety of supply. Any new supplier's complete pre-qualification questionnaires to ensure that the Company's quality standards are upheld. The Company values the contribution that the supply chain makes to its continued success and treats its supply chain and subcontractors fairly. The company hosts an annual supplier day to give the supply chain to engage with senior management, Q&A sessions and future work pipelines

The need to act fairly between members of the Company

The Company has a single shareholder and a single ultimate controlling party. Their interests are considered by the directors to promote fairness in decision making.

Environmental Sustainability

The directors of the Company understand the legal and moral responsibilities the business has to protect the environment and to minimise it the impact it has in this area and to promote sustainability within its operations. The basis for this is group's BS:EN: 14001 Environmental Management accredited system. The company has an environmental manager who operates alongside the QSHE department who along with QSHE perform audits on site operations to minimise the environmental impact on the local communities and environment.

Approved by the Board of Directors and signed on their behalf on 31st December 2023 by:

FA Keenan
Director
Keenan House
22-26 Stockport Road
Altrincham
Cheshire
WA15 8EX

DIRECTORS REPORT

The directors present their annual report of the affairs of FK Facades Limited ("the company"), together with the financial statements and auditors report, for the year ended 31 March 2023.

The Company has chosen, in accordance with section 414(c)(ii) of the Companies Act 2006 to set out in their strategic report the following which the directors believe to be of significant importance:

- Review of the business;
- Relevant aspects of Section 172 statement (Sch 7.11(1)(b) – Employee engagement and Sch 7.11B(1) – Business relationships).

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £138,693 (2022 – profit £476,482).

No dividends were declared or paid for the year ended 31st March 2023.

DIRECTORS

The directors of the Company, who held office during the year and to the date of this report, were as follows:

F. Keenan
F.A. Keenan
P.G. Bentley
M. Barker
M. Lang
R. Robinson

CHARITABLE DONATIONS

The Company contributed £82,517 (2022 – £8,690) to charities during the year. There were £nil political contributions (2022 - £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including price risk, credit risk, and liquidity risk.

Price

The Company is exposed to fluctuations in raw material prices such as steel, aluminium and glass. Management maintains excellent relationships with supply chain to ensure that prices are fixed where possible and that we are purchasing materials at the best possible price. Although the effect of the global supply on raw materials and price increases has abated this has been replaced by a higher inflationary environment. As the company fix prices the majority of it's main bulk components this reduced the impact of this risk on the company. The company's pricing policy has been re-based in order to take into account the effects of the increased inflationary costs and closely monitors any movements in pricing structures to capture any significant increases.

Credit

The Company is exposed to credit risk in relation to amounts owed on trade debtors and long terms contracts. It mitigates this risk by having credit insurance in place and monitoring the financial health of all its clients.

Liquidity risk

The Company monitors working capital requirements through cash flow forecasting to ensure that sufficient headroom is available in its banking facilities to meet its obligations. Board directors meet weekly to discuss cashflow requirements and forecasts for the company. The company produces 13, 26 and 52 week cashflows in order to monitor liquidity and give visibility of any cashflow trends.

DIRECTORS' REPORT (continued)

FUTURE DEVELOPMENTS

Details of future developments can be found in the strategic report.

RESEARCH AND DEVELOPMENT ACTIVITES

The company continues to look for improved methods constructing its systems through research and innovation of its envelope designs and onsite installation systems. Investment in training and innovation are Key to the Company's strategy.

EVENTS AFTER THE BALANCE SHEET DATE

During the financial year the FK Group banking facility was renewed to 31st July 2024. This facility includes the FK Group's subsidiary companies which are FK Facades Limited, FK Construction Limited and FK Resolv. Limited.

GOING CONCERN

Despite the reduction in profitability and cash reserves the company continues to operate within the working capital facilities put in place by the Group. It's working capital facilities have been renewed to 31st July 2024.

The company produces regular 3 year forecasts to give visibility of future profits and cashflows which are all favourable for the forthcoming financial years. The Company has improved it's profitability and cash generation during FY24 and with a 96% secured orderbook to 31st March 2024 the directors feel that their strategy of working closely with the Company's customers and supply partners will minimise the risk to the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from approval of the financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The directors do not anticipate any material changes in the Company's activities in the ensuing year.

The Company is showing a net current liability position for the year. Within this position the Company has £9,407,684 owed to other group companies (2022 - £6,617,342) and confirmation has been given from the directors of the other group company to state that this debt will not be called up to the detriment of this Company.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note to the financial statements.

AUDITOR

Each person who is a director of the Company at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting pursuant to S487 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

Approved by the Board of Directors and signed on their behalf on 31st December 2023 by:

FA Keenan
Director
Keenan House
22-26 Stockport Road
Altrincham
Cheshire
WA15 8EX

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent; 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 with reasonable accuracy at any time the financial position of the Company and to 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 AUDITOR'S REPORT TO THE MEMBERS OF FK FACADES LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of FK Facades Limited (the 'Company'):
- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FK FACADES LIMITED (continued)

statements themselves. 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 in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; pension legislation and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FK FACADES LIMITED (continued)

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations within the cut-off, completeness and accuracy of revenue recognition in relation long term contracts. We have performed the following procedures to address these risks:

- Long term contracts are complex and thus have higher consideration values. Each of these contracts varies in size and complexity, hence there are a number of contracts which will span over a number of financial years or span over the year end date. The presence of long-term contracts results in a risk of a potential misstatement of revenues, costs and profits through management assumptions being inappropriate whilst generating the estimates of the remaining costs to complete the projects. In order to assess that revenue was recognised in the correct period, we sampled ongoing contracts and traced these through to latest payment applications, customer certifications and cash receipts. To audit management's estimates of future costs to complete, we have met with the Commercial team and agreed contracts to post year end valuation reports, corroborating to evidence of committed costs or indicative quotes as appropriate.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FK FACADES LIMITED (continued)

Use of our report

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.

Heather Crosby

Heather Crosby Bsc ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
31st December 2023

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2023

	Note	2023	2022
		£	£
TURNOVER	3	59,017,111	34,514,205
Cost of sales		(47,937,958)	(27,493,907)
GROSS PROFIT		11,079,153	7,020,298
Administrative expenses		(10,578,176)	(6,515,147)
OPERATING PROFIT	5	500,978	505,151
Interest payable and similar expenses	6	(445,265)	(226,750)
PROFIT BEFORE TAX		55,713	278,401
Tax on profit	7	(194,406)	198,081
(LOSS)/PROFIT FOR THE YEAR		(138,693)	476,482

All results relate to continuing activities.

The notes on pages 17 to 32 form an integral part of the financial statements.

There are no other gains or losses except those disclosed above and hence no statement of comprehensive income has been prepared.

BALANCE SHEET
As at 31 March 2023

	Note	2023	2022
		£	£
FIXED ASSETS			
Investments	8	10,836,732	10,788,494
Tangible assets	9	1,354,144	1,251,115
		12,190,876	12,039,609
CURRENT ASSETS			
Debtors	10	30,944,287	18,079,488
Cash at bank and in hand		828	364,327
		30,945,115	18,443,815
CREDITORS: Amounts falling due within one year	11	(31,318,640)	(18,567,391)
NET CURRENT LIABILITIES		(373,525)	(123,576)
TOTAL ASSETS LESS CURRENT LIABILITIES		11,817,351	11,916,033
CREDITORS: Amounts falling due after more than one year	12	(161,179)	(157,386)
PROVISIONS FOR LIABILITIES	13	(230,407)	(194,190)
NET ASSETS		11,425,765	11,564,457
CAPITAL AND RESERVES			
Called-up share capital	14	5,000	5,000
Profit and loss account		11,420,765	11,559,457
SHAREHOLDER'S FUNDS		11,425,765	11,564,457

The notes on pages 17 to 32 form an integral part of the financial statements.

These financial statements of FK Facades Limited, registered number 02874877, were approved by the Board of Directors and signed on behalf of the Board of Directors on 31st December 2023.

FA Keenan

Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2023

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 April 2021	5,000	11,082,975	11,087,975
Profit and total comprehensive income for the financial year	-	476,483	476,483
At 31 March 2022	5,000	11,559,458	11,564,458
Loss and total comprehensive expense for the financial year	-	(138,693)	(138,693)
At 31 March 2023	5,000	11,420,765	11,425,765

The notes on pages 17 to 32 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1. ACCOUNTING POLICIES

FK Facades Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Companies Act 2006.

The functional currency of FK Facades Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

FK Facades Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. FK Facades Limited is consolidated in the financial statements of its parent, FK Group Limited, which may be obtained from the Company's registered address. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Going concern

The strategic report describes the financial performance and position of the Company. The Company is a subsidiary within the FK Group Limited group which manages its working capital on a pooled basis and has a shared overdraft facility. In considering the going concern position of FK Facades Limited, the directors are cognisant of the following going concern disclosure that appears in the financial statements of FK Group Limited for the year ended 31 March 2023.

The Company is showing a net current liability position for the year. Within this position the Company has £9,407,684 owed to other group companies (2022 - £6,617,342) and confirmation has been given from the directors of the other group company to state that this debt will not be called up to the detriment of this Company.

The Group manages its day-to-day working capital requirements with banking facilities with HSBC Bank plc. Since the Balance Sheet date, the Group has renewed its shared overdraft facility with its direct subsidiaries: FK Facades Limited, FK Construction Limited and FK RESOLV. Limited. This has been renewed to 31 July 2024. The Group has utilised 94% of this facility at 31st March 2023. This utilisation has reduced significantly during FY24. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facility and demonstrate sufficient headroom on existing banking covenants.

The volatility in supply and material prices has abated in this period and the risk has transferred to the increasing level of inflation. The Group fix prices the majority of the bulk system components and has rebased it's pricing models to reflect the new economic environment The directors feel that our continued strategy of working closely with our customers and supply partners will enable us to minimise the risk to the Company.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least twelve months from approval of the financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The directors do not anticipate any material changes in the Company's activities in the ensuing year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less residual value in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures, fittings, plant and equipment	20% per annum
Motor vehicles	25% per annum
Leasehold improvements	Over the period of lease

Impairment of assets

Assets, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Work-in-progress

Work-in-progress is stated at cost less provision for any known or anticipated losses and progress payments receivable on account. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. **ACCOUNTING POLICIES (continued)**

Construction contracts (continued)

Variations in contract work, claim and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments

Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term, even where the payments are not made on such a basis.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, whilst the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except the assets are depreciated over their useful lives.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Employee benefits

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of the revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

Current tax, including UK corporation tax and foreign 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax

professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the

additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Management does not deem there to be any critical judgements in applying the Company's accounting policies.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Contract stage of completion and end forecast position

For contracts where work spans the year end, an estimation is made on the stage of completion of each contract (note 3). This estimate is made based on the value of work completed to date as a proportion of the end forecast contract value. Where the outcome of the contract is seen as reasonably certain, the profit attributable to this stage of completion is reflected. Each contract is monitored and reported on by a qualified quantity surveyor, who updates the contract forecast position on a monthly basis. These forecasts are reviewed by the senior management, with movements reviewed at Board level each month.

3. TURNOVER

Turnover represents the value of work done for third parties during the year, net of value added tax. The amount of profit attributable to the stage of completion of a contract is recognised when the outcome of the contract can be seen with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses. Provision is made immediately for any losses which are foreseen. Turnover is calculated by reference to the value of work performed to date as a proportion of total contract value. Turnover arose wholly in the United Kingdom from the Company's principal activity. The total amount of £59,017,111 (2022: £34,514,205) is all in relation to construction contracts.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2023	2022
	£	£
Directors' emoluments		
Emoluments (including benefit in kind)	2,552,916	2,248,450
Company contribution to money purchase scheme	39,045	67,442
	2,591,961	2,315,892

	2023	2022
	No.	No.
Pensions		
The number of directors who were members of pension schemes was as follows:		
Money purchase schemes	3	3

	2023	2022
	£	£
Remuneration of the highest paid director		
Emoluments	1,596,145	1,187,015

	2023	2022
	No.	No.
Average monthly number of persons employed (including directors)		
Office and management	145	157

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2023	2022
	£	£
Staff costs during the year (including directors)		
Wages and salaries	8,480,789	8,043,732
Social security costs	912,797	957,570
Pension costs	197,961	506,261
	9,591,547	9,507,563

5. OPERATING PROFIT

	2023	2022
	£	£
Operating profit is stated after charging:		
Depreciation - owned assets	349,132	358,533
Depreciation – leased assets	73,795	52,733
Loss on disposal of fixed assets	39,846	-
Hire of plant and machinery	2,558,576	464,406
Auditor's remuneration:		
- for the audit of the Company's financial statements	49,389	24,082
- taxation compliance services	26,551	2,000
- other advisory services	20,677	-
Operating lease rentals - land & building	118,568	103,590
Operating lease rentals - vehicles and equipment	843,222	820,121

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest and charges	416,839	226,890
Interest on hire purchase and finance leases	28,426	(140)
	445,265	226,750

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

7. TAX ON PROFIT

The taxation charge/(credit) comprises:

	2023	2022
	£	£
Current tax		
United Kingdom corporation tax	158,189	-
Adjustment in respect of previous periods	-	(283,131)
Total current tax charge/(credit)	158,189	(283,131)
Deferred tax		
Origination and reversal of timing differences	21,718	65,244
Adjustment in respect of previous periods	10,840	(3,996)
Effect of change in tax rate	3,659	23,802
Total deferred tax charge (note 13)	36,217	85,050
Total tax charge/(credit) on profit	194,406	(198,081)

There are no expiry dates to any of the timing differences or unused tax credits.

The difference between the total tax shown above and the amount calculated by applying the effective rate of UK corporation tax to the Company's profit before tax is as follows:

	2023	2022
	£	£
Profit before tax	55,713	278,401
Tax at basic UK corporation tax rate of 19% (2022: 19%)	10,585	52,896
Effects of:		
Expenses not deductible for tax purposes	200,601	170,753
Effects of group relief/other reliefs	(31,279)	73,687
Other reliefs	-	(232,092)
Adjustment in respect of previous periods	10,840	(287,127)
Tax rate changes	3,659	23,802
Tax charge/(credit) for the period	194,406	(198,081)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

8. FIXED ASSET INVESTMENTS

	2023	2022
	£	£
Investments	98	98
Amount due from Parent Company	10,836,634	10,788,396
	10,836,732	10,788,494

Investments

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

	Country of incorporation	Principal activity	Holding	%
Subsidiary undertakings				
FK Construction LLC	U.A.E	Building Envelope Solutions	Ordinary Shares	49%

Although FK Facades Limited owns 49 per cent of the ordinary share capital of FK Construction LLC (Registered Address: Office 81K, Level 29, Marina Plaza, Dubai, PO Box 112229), it has been treated as a subsidiary undertaking because the Company controls this investment, directing its financial and operating policies so as to obtain benefits from its activities.

Subsidiary undertakings have not been consolidated by FK Facades Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of FK Group Limited.

Amounts due from Parent Company

Amounts due from parent Company do not earn interest and are repayable on demand. Nevertheless, some balances are intended for continuing use in the business to support day to day activities so should be reported as fixed assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings plant and equipment	Motor vehicles	Total
Cost	£	£	£
At 1 April 2022	2,599,764	302,735	2,902,499
Additions	424,923	144,083	569,005
Disposals	(260,759)	(28,621)	(289,380)
At 31 March 2023	2,763,928	418,197	3,182,125
Accumulated depreciation			
At 1 April 2022	1,478,392	172,992	1,651,384
Charge for the year	366,943	55,983	422,927
Disposals	(233,612)	(12,718)	(246,330)
At 31 March 2023	1,611,723	216,257	1,827,981
Net book value			
At 31 March 2022	1,121,372	129,743	1,251,115
At 31 March 2023	1,152,204	201,940	1,354,144

10. DEBTORS

	2023	2022
	£	£
Trade debtors	8,788,053	11,915,460
Amounts receivable on contracts	18,601,339	3,561,497
Directors loan accounts (note 16)	350,188	-
Current corporation tax	283,760	272,290
Other taxes and social security	943,844	-
Other debtors	1,263,585	2,032,428
Prepayments	713,518	297,813
	30,944,287	18,079,488

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank Loan	-	114,880
Bank Overdraft	4,859,118	-
Trade creditors	11,380,100	8,539,108
Amounts owed to related parties (see note 16)	3,322,322	-
Amounts owed to fellow group undertakings	9,407,684	6,617,342
Directors loan accounts	-	57,344
Obligations under finance leases (secured)	79,853	146,368
Pension	50,332	53,327
Other taxes and social security	771,099	2,054,299
Other creditors	171,066	805,446
Accruals and deferred income	1,277,066	179,277
	31,318,640	18,567,391

Obligations under finance leases are secured on the assets to which they relate. The amounts owed to related party and fellow group undertakings are repayable on demand, are unsecured and do not incur interest.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Borrowings are repayable as follows:

	2023	2022
	£	£
Obligations under finance leases (secured)	161,179	157,386

	2023	2022
	£	£
Present value of minimum lease payments		
Between one and two years	68,727	130,991
Between two and five years	92,452	26,395
	161,179	157,386
On demand and in less than one year	79,853	146,369
	241,032	303,755

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	2023	2022
	£	£
Minimum lease payments		
Between one and two years	78,100	142,331
Between two and five years	96,745	28,233
	174,845	170,564
On demand and in less than one year	93,869	159,310
	268,714	329,874
Less future finance charges	(27,682)	(26,119)
Present value of lease obligations	241,032	303,755

13. PROVISIONS FOR LIABILITIES

	£
Deferred taxation	
Balance at 1 April 2022	194,190
Movement in the year (note 7)	36,217
Balance at 31 March 2023	230,407

The amounts provided in the financial statements and the amounts not provided are as follows:

	Provided 2023	Provided 2022	Not Provided 2023	Not Provided 2022
	£	£	£	£
Fixed assets timing differences – (liability)	230,407	194,190	-	-

14. CALLED-UP SHARE CAPITAL

	2023	2022
	£	£
Called-up, allotted and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

15. FINANCIAL COMMITMENTS

Lease commitments

The Company leases certain land and buildings on operating leases. The rental on these leases in the year was £284,076 (2022 - £200,671). The Company pays for all insurance, internal maintenance, and internal repairs of these properties. The Company also leases certain vehicles and office equipment on short term operating leases.

At 31 March 2023 total future minimum lease payments under non-cancellable leases are as follows:

	2023		2022	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiring within one year	224,301	864,382	254,213	629,616
Expiring between one and five years	573,009	701,462	865,537	561,601

16. RELATED PARTY TRANSACTIONS and ultimate controlling party

During the year the Company paid rent to Keenan Developments Limited, a related party, in the sum of £94,400 (2022 - £90,534). F. Keenan is also a director of Keenan Developments Limited. The balance owed at 31 March 2023 was £nil (2022 Nil). The company also purchased goods from FK Building Limited, a related party, in the sum of £2,650,819 (2022 - £671,503). F Keenan and FA Keenan are also directors of FK Building Limited. The balance owed to FK Building Limited at 31 March 2023 was £3,322,322 (2022 - £671,503).

The largest and smallest group in which the results of the Company are consolidated is that headed by FK Group Limited, a Company incorporated in England and Wales. This is also the immediate parent. The consolidated financial statements of this Company are available to the public and may be obtained from the Company's registered address (Keenan House, 22-26 Stockport Road, Altrincham, Manchester, WA15 8EX).

The amounts owed to Group undertakings relate to balances between group companies which are eliminated upon consolidation within FK Group. All balances are payable/repayable by the individual entities.

In the opinion of the directors, there is no ultimate controlling party.

All group undertakings, FK Group Limited, FK Facades Limited, FK Resolv. Limited and FK Construction Limited have provided cross-guarantees in respect of the group overdraft facility. At 31 March 2023 this amounted to a consolidated position of £5,656,939 (2022: £1,575,197).

The Company is a wholly-owned subsidiary of FK Group Limited and has taken advantage of the exemption conferred by FRS 102 'Related party disclosures' not to disclose transactions with FK Group Limited or other wholly-owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

16. RELATED PARTY TRANSACTIONS and ultimate controlling party (continued)

Loan to director:

During the year an unsecured loan, repayable on demand, was made to directors . At the beginning of the year the liability from the company to Directors was a creditor of £57,344 (2022:16,048), the maximum during the year was debtor balance of £397,358 (2022: £536,175). At the end of the year the balance owed by directors to the company was a debtor balance of £350,188 (2022: creditor £57,344). No interest was charged during the year.

17. SUBSEQUENT EVENTS

FK Group's banking facility, of which FK Facades Limited is a subsidiary, was renewed on 1st August 2023 for a period of 12 months. .