

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
FOCAL POINT FIRES LIMITED**

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**FOCAL POINT FIRES LIMITED (REGISTERED NUMBER: 01726619)**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FOCAL POINT FIRES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**DIRECTORS:**

Mr Ivor B Mitchell  
Mr Carl J Richards  
Mr Stephen J Hammond  
Mr Michael C T Athay

**SECRETARY:**

Mr Stephen James Hammond

**REGISTERED OFFICE:**

4 Prince Albert Road  
London  
NW1 7SN

**REGISTERED NUMBER:**

01726619 (England and Wales)

**ACCOUNTANTS:**

Scodie Deyong LLP  
Chartered Accountants  
4 Prince Albert Road  
London  
NW1 7SN

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**REVIEW OF BUSINESS**

The directors present their strategic report for the year ended 31st December 2021.

The company delivered an excellent performance for the year ended 31st December 2021. Our turnover increased by 60.72% to £15.490m from £9.638m in 2020. Our gross margin increased by 0.59% to 38.79%, up from 38.20% for the same period in 2020. This was driven by the introduction of new products, new customers and improved efficiencies. These factors all combined, resulted in a substantial increase in our profitability as our pre-tax profits increased by £1.201m to £2.204m. The business had still been affected in the financial year as the UK Government imposed restrictions on social movement as various lockdowns were implemented. This impacted upon various businesses, including the retail sector throughout the first quarter, which had to close for its third national lockdown in January 2021 in accordance with Government safety guidelines. Being a manufacturer, throughout Covid-19, the company continued to operate safely through the lockdown although at a reduced level. Upon the lifting of lockdown(s), the company saw its turnover return, resulting in a greater demand for its products and with very encouraging signs of progress being made with demand for its products sought from the strategic initiatives we set out in previous years.

As at the balance sheet date, we intentionally increased our stock holding from £2.180m to £2.980m to protect against any potential supply chain issues. Because of the increase in trading activity, our actual stock turn improved and went from 127 days to 100 days. Our balance sheet has further strengthened from retained profits. There was an increase in current assets of £2.492m, whilst our current and long-term liabilities only increased by £1.419m from £3.677m to £5.096m. There was very little movement on fixed assets.

Despite the increase in turnover of 60%, our trade debtors only increased by just under 4% whilst our trade creditors now represent 42 days payment as opposed to 56 days for the year before.

Both our products and brands continue to remain very highly desirable. We have previously partnered and will continue to appoint successful distribution partners both domestically and internationally, thereby increasing the accessibility, presence and appeal to enable us to continue to expand our brands and products globally. Home improvement also continues to remain a key part of our activities as consumers look to improve their surroundings.

The Boards increasing focus throughout 2021, 2022 and beyond, is to continue to broaden our brand, range and design of products to capitalise on their success and international appeal and increase its market presence.

The key for our continued future success is the ongoing strength of our relationships that has been built over many years with our customers, distributors and suppliers, combined with our distinctive offering of leading-edge designs and unmatched quality proposition. The continued strength of these relationships will allow us to appoint and bring new products to market throughout various distribution channels and continue to create and offer highly desirable products.

**RISK MANAGEMENT**

The key risks affecting the Company is the impact of any potential downturn in consumer spending. This may be as a result of increased taxes, interest rate rises due to increasing inflationary pressures which we are starting to see, or any disruption to supply as a result of interruptions to the supply chain(s) from any further outbreaks of Covid-19 related viruses or variants. Any future interest rate rises could have an impact upon both business and consumer spending in addition to the potential increase(s) or any significant exchange rate fluctuations. This would lead further to increased costs in the purchase of raw materials and goods. Our actions to mitigate the impact of these headwinds in the short to medium term is achieved by foreign exchange contracts and we regularly review our exposure to foreign currency.

We continually assess and review our financial position, inventory and supply chains in light of the economic conditions as part of our normal budgetary process and the Directors remain vigilant to the ever changing trading and economic conditions. We will continually review the Company's development, performance and milestones throughout 2022 and take any appropriate actions deemed necessary in the context of the risks and uncertainties we face. This will ensure our objectives and continued success are met.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**OUTLOOK**

Significant growth and progress has been made throughout 2022 to each of our targeted markets and we remain optimistic and confident for the years ahead.

The management has laid out its future plans for the years ahead, clearly defining our purpose to innovate and deliver world class leading aspirational products. This continued strategic direction has allowed us to penetrate and develop new markets that are bringing in additional revenue streams as we continue to move forwards. The next phase of our strategic development is well underway and significant progress has been made in achieving our goals which is set to continue for the years ahead. Led by management, this has a clear focus on product design and development for each of our core customers and targeted markets. We have made significant investment into new product development throughout the years and this has carried forward into 2022. This will provide a solid platform for progress into the company's future and we are well positioned to move forward into 2023 and beyond.

Covid-19 continues to cause various uncertainties throughout the Globe. This still brings challenges, specifically in terms of the supply chain and being able to procure and deliver goods to meet our customers' expectations and current demand. The company continues to build upon its long-standing relationships with both our suppliers and customers alike, which enables us to overcome the challenges presented. Currently, there are significant uncertainties in the UK economy including the cost-of-living crisis, geopolitical risk and many different market sectors, giving rise to fluctuations in currency exchange rates and the long-term implications and impacts this may have. The directors have remained vigilant throughout to ensure the company controls its cost base, and are well positioned to manage and mitigate any impact this may have. Throughout the pandemic this has seen a rise in demand for our products as customers stay at home.

2021 was another unprecedented year and our performance throughout was testament to the character of each of our committed employees, throughout which time they have kept our businesses running efficiently, approaching the many challenges we have faced with professionalism, dedication and commitment. As a result of their efforts, we made substantial progress both strategically, operationally and financially as we come out of the Covid-19 crisis, a stronger business and I am delighted to be part of this team.

**ON BEHALF OF THE BOARD.**



Mr Carl J Richards - Chairman

6 July 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture and sale of gas fires and electrical appliances.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**RESEARCH AND DEVELOPMENT**

The company continues to invest in the development of new products and the enhancement of existing ones.

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1 January 2021 to the date of this report.

The beneficial interests of the directors holding office at 31 December 2021 in the shares of the company, according to the register of directors' interests, were as follows:

	31.12.21	1.1.21
<b>Ordinary shares of £1 each</b>		
Mr Ivor Bryan Mitchell	38,000	38,000
Mr Carl John Richards	2,000	2,000
Mr Stephen James Hammond	-	-
Mr Michael Christian Thomas Athay	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



Mr Stephen J Hammond - Director

6 July 2022

**FOCAL POINT FIRES LIMITED (REGISTERED NUMBER: 01726619)****INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>TURNOVER</b>		15,427,648	9,638,039
Cost of sales		<u>(9,442,835)</u>	<u>(5,956,336)</u>
<b>GROSS PROFIT</b>		5,984,813	3,681,703
Administrative expenses		<u>(3,724,469)</u>	<u>(2,847,972)</u>
		2,260,344	833,731
Other operating income		<u>13,986</u>	<u>228,619</u>
<b>OPERATING PROFIT</b>	4	2,274,330	1,062,350
Interest receivable and similar income		<u>-</u>	<u>14</u>
		2,274,330	1,062,364
Interest payable and similar expenses		<u>(69,997)</u>	<u>(59,411)</u>
<b>PROFIT BEFORE TAXATION</b>		2,204,333	1,002,953
Tax on profit	5	<u>(166,921)</u>	<u>(172,456)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>2,037,412</u></u>	<u><u>830,497</u></u>

The notes form part of these financial statements

**FOCAL POINT FIRES LIMITED (REGISTERED NUMBER: 01726619)****STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>FIXED ASSETS</b>			
Intangible assets	7	205,100	191,964
Tangible assets	8	869,612	924,529
Investments	9	<u>12,500</u>	<u>12,500</u>
		<u>1,087,212</u>	<u>1,128,993</u>
<b>CURRENT ASSETS</b>			
Stocks		2,984,069	2,180,156
Debtors	10	2,371,748	2,170,112
Cash at bank and in hand		<u>2,660,044</u>	<u>1,173,731</u>
		8,015,861	5,523,999
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(4,548,280)</u>	<u>(2,979,479)</u>
<b>NET CURRENT ASSETS</b>		<u>3,467,581</u>	<u>2,544,520</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,554,793	3,673,513
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(482,133)	(629,067)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(65,669)</u>	<u>(68,867)</u>
<b>NET ASSETS</b>		<u>4,006,991</u>	<u>2,975,579</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	50,000	50,000
Retained earnings		<u>3,956,991</u>	<u>2,925,579</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>4,006,991</u>	<u>2,975,579</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements



**STATEMENT OF FINANCIAL POSITION - continued**  
**31 DECEMBER 2021**

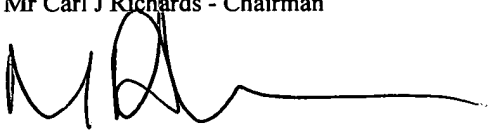
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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 6 July 2022 and were signed on its behalf by:



Mr Carl J Richards - Chairman



Mr Michael C T Athay - Group Managing Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. STATUTORY INFORMATION**

Focal Point Fires Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary undertaking has not commenced trading and is dormant at the balance sheet date. The company has therefore taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare group accounts on the basis of immateriality.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Acquired goodwill is capitalised and retained at cost in the financial statements.

**Development expenditure**

Over the years the company have capitalised research and development expenditure on the basis of the technical, commercial and financial viability of individual projects. The company is amortising this cost over 10 years on a straight line basis in line with the expectation of the time line of a range of fires.

The directors are of the view that the existing development expenditure will generate financial benefit over a period of 10 years. This also considers the view that a range of fires have proved to exceed their time line from 4 years to 10 years.

**Patents**

Patents are initially measured at cost. The patents will be amortised once there is future economic benefit to the company.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- straight line basis
Plant and machinery	- 25% on a reducing balance basis
Fixtures and fittings	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis

**Government grants**

Grants are recognised over the period in which the associated costs are incurred.

**Stocks**

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**3. EMPLOYEES AND DIRECTORS**

	<b>31.12.21</b>	<b>31.12.20</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,466,980	1,058,500
Social security costs	157,160	111,622
Other pension costs	14,103	16,674
	<u>1,638,243</u>	<u>1,186,796</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Production	14	14
Sales	4	4
Administration	<u>7</u>	<u>7</u>
	<u>25</u>	<u>25</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	86,652	72,630
Development expenditure amortisation	<u>70,374</u>	<u>66,243</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	170,119	161,309
Deferred tax	<u>(3,198)</u>	<u>11,147</u>
Tax on profit	<u>166,921</u>	<u>172,456</u>

**6. DIVIDENDS**

	31.12.21	31.12.20
	£	£
Interim	<u>1,006,000</u>	<u>6,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

7. INTANGIBLE FIXED ASSETS

	Goodwill £	Development expenditure £	Patents £	Totals £
<b>COST</b>				
At 1 January 2021	3,500	674,503	32,672	710,675
Additions	-	74,910	8,600	83,510
At 31 December 2021	<u>3,500</u>	<u>749,413</u>	<u>41,272</u>	<u>794,185</u>
<b>AMORTISATION</b>				
At 1 January 2021	-	518,711	-	518,711
Amortisation for year	-	70,374	-	70,374
At 31 December 2021	<u>-</u>	<u>589,085</u>	<u>-</u>	<u>589,085</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>3,500</u>	<u>160,328</u>	<u>41,272</u>	<u>205,100</u>
At 31 December 2020	<u>3,500</u>	<u>155,792</u>	<u>32,672</u>	<u>191,964</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2021	672,819	562,500	407,668	15,844	1,658,831
Additions	-	15,232	17,911	-	33,143
Disposals	-	(55,431)	(27,044)	-	(82,475)
At 31 December 2021	<u>672,819</u>	<u>522,301</u>	<u>398,535</u>	<u>15,844</u>	<u>1,609,499</u>
<b>DEPRECIATION</b>					
At 1 January 2021	26,913	414,108	279,730	13,551	734,302
Charge for year	13,456	38,462	34,161	573	86,652
Eliminated on disposal	-	(54,250)	(26,817)	-	(81,067)
At 31 December 2021	<u>40,369</u>	<u>398,320</u>	<u>287,074</u>	<u>14,124</u>	<u>739,887</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	<u>632,450</u>	<u>123,981</u>	<u>111,461</u>	<u>1,720</u>	<u>869,612</u>
At 31 December 2020	<u>645,906</u>	<u>148,392</u>	<u>127,938</u>	<u>2,293</u>	<u>924,529</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	<u>12,500</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>12,500</u>
At 31 December 2020	<u>12,500</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Trade debtors	1,752,638	1,689,369
Other debtors	<u>619,110</u>	<u>480,743</u>
	<u>2,371,748</u>	<u>2,170,112</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Bank loans and overdrafts	1,626,795	1,355,078
Trade creditors	1,377,178	1,154,842
Taxation and social security	422,746	426,850
Other creditors	<u>1,121,561</u>	<u>42,709</u>
	<u>4,548,280</u>	<u>2,979,479</u>

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

	31.12.21 £	31.12.20 £
Bank loans	461,250	596,250
Other creditors	<u>20,883</u>	<u>32,817</u>
	<u>482,133</u>	<u>629,067</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>56,250</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>31.12.21</b>	<b>31.12.20</b>
	<b>£</b>	<b>£</b>
Within one year	185,433	231,366
Between one and five years	666,978	689,548
In more than five years	<u>337,500</u>	<u>487,500</u>
	<u><b>1,189,911</b></u>	<u><b>1,408,414</b></u>

**14. SECURED DEBTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade loans	<u>1,489,995</u>	<u>1,285,080</u>
	<u><b>1,489,995</b></u>	<u><b>1,285,080</b></u>

Trade loans are secured against the bank debentures.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>31.12.21</b>	<b>31.12.20</b>
			<b>£</b>	<b>£</b>
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

**16. PENSION COMMITMENTS**

The company makes payments to a defined contribution scheme on behalf of the directors and employees. Amounts charged to the profit and loss account were £14,103 for the year (2020: £16,674). The outstanding amount at the balance sheet date is £4,083 (2020: £3,357).

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS  
ON THE UNAUDITED FINANCIAL STATEMENTS OF  
FOCAL POINT FIRES LIMITED**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Focal Point Fires Limited for the year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Focal Point Fires Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Focal Point Fires Limited and state those matters that we have agreed to state to the Board of Directors of Focal Point Fires Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Focal Point Fires Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Focal Point Fires Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Focal Point Fires Limited. You consider that Focal Point Fires Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Focal Point Fires Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Scodie Deyong LLP  
Chartered Accountants  
4 Prince Albert Road  
London  
NW1 7SN

6 July 2022