

Registered number: 02973822

STOELZLE FLACONNAGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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STOELZLE FLACONNAGE LIMITED

COMPANY INFORMATION

Director	TA Riss
Company secretary	S Malpass
Registered number	02973822
Registered office	Weeland Road Knottingley West Yorkshire WF11 8AP
Independent auditor	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT

STOELZLE FLACONNAGE LIMITED

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STOELZLE FLACONNAGE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The director presents his Strategic Report for the year ended 31 December 2021.

Business review

The principal activity of the Company during the year was the production of glass containers, servicing the prestige spirit and perfumery marketplaces.

The Company offers premium quality products with high levels of technical complexity, supported by our innovative design service to fulfil the aspirations of our customers.

The Company operates a cosmetic grade glass furnace with five associated production lines, producing single and double gob glass containers with the ability to manufacture feeder colour products on two of the five lines.

The Company also operates an in-house glass decoration facility offering a range of complex techniques to enhance our product range.

The profit for the financial year after tax amounted to £2,884,787 (2020: £1,431,038).

The results showed a year of significant growth in profitability supported by strong growth in demand for our products, despite underlying cost pressures experienced primarily in energy, materials and logistics costs.

The quality of our product is of paramount importance and we have continued to invest in new inspection equipment at the cold end of our production facility together with ongoing training of our employees. As a result, the quality of our products and services continued to achieve high standards during the year, evidenced by significant progress against our key performance indicators outlined below.

STOELZLE FLACONNAGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Company's activities give rise to a number of risks and uncertainties. The director reviews and agrees policies for managing each of these risks and they are summarised below:

Currency risk

The Company's profit and loss account and balance sheet are reported in pounds sterling and may be affected by fluctuations in exchange rates as some of the Company's turnover is conducted in either US Dollars or Euros and the company has borrowings denominated in Euros. In light of its foreign currency exposure, the Company takes advantage of natural hedging of transactions and enters into forward exchange contracts to hedge against foreign currency exposure on Euro borrowings.

Credit risk

The Company continues to manage credit risk by the use of appropriate customer credit limits, covered by credit insurance policies.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by the use of loans from group companies and financial institutions. The Company controls and monitors cash flow on a regular basis to ensure that the Company is adequately financed to support its ongoing activities and commitments.

Commodity price risk

Production costs are sensitive to fluctuations in the market price of energy, and the Company limits its exposure to such risk by fixing purchasing prices in advance at a Group level and also by agreeing energy price overrides with major customers.

Political risk

The majority of our customer base is within the UK although many of our customers serve global markets. We have therefore shared in the general economic uncertainties involving fluctuating demand that have surrounded the Brexit process and the moderate disruptive effects that this has caused. We have adapted our systems and procedures to accommodate the changes this has brought about in order to support our geographical marketplaces.

STOELZLE FLACONNAGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

The director has monitored the progress of the Company against its strategic objectives by continuous review of the Key Performance Indicators (KPIs) set out below:

KPI Progress

Revenue

Turnover increased by 30.5% in 2021. This was due primarily to strong demand as the economy recovered from the height of the Coronavirus pandemic.

Margin

Gross margin was 20.3% in the year compared to 15.1% in the prior year reflecting full operating capacity during the year.

Cash Management

The Company manages its resources to ensure it is able to continue as a going concern while minimising costs and liquidity risk. The Company benefits from short-term finance from the ultimate holding company (CAG Holding GmbH); overdraft facilities of over £11M with two major European financial group banking institutions; and invoice factoring facilities of up to £20M, which provide sufficient finance for the ongoing working capital requirements of the Company.

Other key performance indicators

The Company's key performance indicators as well as the financial KPI's described above relate to and focus on the strategy of Safety, Quality and Delivery.

KPI Progress

Safety

The Company is committed to the health and safety impacts of its operations on employees and visitors. The number of lost time accidents (LTAs) is used to track this objective. LTAs in 2021 amounted to 5 (2020 - 4 LTAs).

Quality

Our aim is to become the glass supplier of choice in terms of quality of product and service to our customers. We monitor customer feedback and complaints and focus on improving quality by improving processes and investing in modern glass inspection facilities.

Delivery

On time and in full performance measurements are used to track performance against key customer targets. The company uses bar coding solutions for stock control and accuracy across the organisation.

STOELZLE FLACONNAGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Director's statement of compliance with duty to promote the success of the Company

Section 172 (1) Statement

The director of the company, as those of all UK companies must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in a way they consider in good faith would be most likely to promote the success of the company, for the benefit of its shareholders as a whole, and in doing so have regard to :

- . the likely consequences of any decision's in the long term
- . the interest of the company's employees
- . the need to foster the company's business relationships with suppliers, customers and others
- . the impact of the company's operations on the community and environment
- . the desirability of the company maintaining a reputation for high standards of business conduct
- . the need to act fairly as between shareholders of the company

As part of their induction a director is briefed on their duties. They can access professional advice on these, either from the company secretary, or if they judge it necessary from an independent adviser. It is important to recognise that in an organisation such as ours the director fulfils his duty partly through a governance framework that delegates day to day decision-making to employees of the company. Details can be found in documents available online such as the Stoelzle Code of Conduct, or the Corporate Social Responsibility Policy on our website.

The following paragraphs summarize how the director fulfils his duty:

Risk management

We continued the roll-out of our strategy throughout this year to continue the development of our organisation as a leading glass company in the prestige and ultra-prestige spirit market. Within this strategy, we aligned investment and development programs to support its implementation. As we grow, our business and our risk environment also becomes more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face and that we continue to evolve our approach to risk management. This is done on a company level, as well as a group level involving senior management on a regular basis. The preparation work already carried out for the first certification of ISO 14001:2015, taking place at the beginning of next year enabled us to fully evaluate our environmental risk factors.

Our people

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach towards our employees. The health, safety, and well-being of our employees is one of our primary considerations in the way we do business. To succeed, we need to manage our people's performance and develop them, bringing talent through, whilst ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way. We overcame the second year of the global pandemic with carefully selected rules which we adapted with the full support of our employees, successfully avoiding major outbreaks and business disruptions. We also provided very specific training in relation to our own processes and equipment to further support staff development.

Business relationships

Our strategy to improve our position as a key supplier in the prestige spirit market is supported by long-term customer relationships with the major players in this sector. These well-established business collaborations have been further developed by running common projects, such as projects to reduce our packaging or by further developing our creative and technical design services. We have also widened our customer base to allow for this growth in-line with our business strategy. We continue to develop sustainable, long-term relationships with our key suppliers.

STOELZLE FLACONNAGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Community and environment

The Company's approach is to create positive change for the people working for us and the community with which we interact. We supported several local school and sport initiatives and organised charity events for local initiatives for vulnerable individuals.

The same process model is used by the company to constantly improve our environmental footprint, by maintaining what we have previously achieved and improving wherever we see the opportunity to do so. The upcoming certification of ISO 14001:2015 as mentioned earlier in this report is recognised as a key milestone.

Shareholders

The board is committed to openly engaging with our parent company board, as we recognise the importance of continued, effective dialogue, with our head office and with the owner's family. These routine communications take place at various levels and are always held in a very positive mood, forward looking and target driven to ensure the alignment of all relevant parties.

This report was approved by the board and agreed on its behalf.



TA Riss
Director

Date: 06.12.22

STOELZLE FLACONNAGE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his report and the financial statements for the year ended 31 December 2021.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £2,884,787 (2020 - £1,431,038).

The director does not recommend the payment of a dividend.

Director

The director who served during the year was:

TA Riss

Future developments

The Company continues to invest in its manufacturing capabilities, especially in decoration techniques and glass inspection facilities, in addition to considering future environmental and sustainability requirements to enable us to further develop market opportunities in the prestige spirit sector. The company has invested in new PCR (post consumer recycled) glass production facilities which became operational during 2022.

The strategy of the Company continues to focus on ensuring that we deliver high quality, prestige and speciality glass to our customers, whilst at the same time ensuring the stability of our business is maintained.

STOELZLE FLACONNAGE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Engagement with suppliers, customers and others

This is covered above in the section on business relationships in the s172 statement.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company's greenhouse gas emissions and energy consumption are as follows:

Streamlined Energy and Carbon Reporting

		Current reporting year	Comparison reporting year
		2021	2020
Energy consumption used to calculate emissions: /kWh		165,950,504	152,295,988
Breakdown of above total energy by source	Electricity	34,060,248	25,927,935
	Gas (& Other Fuels)	131,865,772	126,311,234
	Transport	24,484	56,819
	Other	0	0
Emissions from combustion of gas and other fuels (Scope 1) / tCO ₂ e		24,227.33	21,645.42
Emissions from combustion of fuel for transport purposes (Scope 1) / tCO ₂ e		4.20	0
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) / tCO ₂ e		1.66	13.75
Emissions from purchased electricity (Scope 2, location-based) / tCO ₂ e		7,232.01	6,044.84
Total gross CO ₂ e based on above / tCO ₂ e		31,465.20	27,704.01
Intensity ratio: tCO ₂ e (gross) per tonne:		0.582	0.715

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 Government Conversion Factors for Company Reporting. Gas emissions for 2020 has been adjusted following review.

Energy Efficiency Actions Taken

In the period covered by the report the company has installed new monitoring and control mechanisms for the compressors and fans on site to reduce wasted energy. The roll out of the system will continue in to 2021.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tonnes of CO₂e per net tonne of product processed.

STOELZLE FLACONNAGE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

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

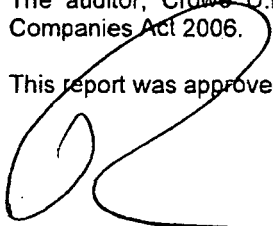
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



TA Riss
Director

Date: 06.12.22

STOELZLE FLACONNAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOELZLE FLACONNAGE LIMITED

Opinion

We have audited the financial statements of Stoelzle Flaconnage Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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 director's 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 director with respect to going concern are described in the relevant sections of this report.

STOELZLE FLACONNAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOELZLE FLACONNAGE LIMITED (CONTINUED)

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 director is 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 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.

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

Matters on which we are required to report by exception

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 material misstatements in the Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 6, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

STOELZLE FLACONNAGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOELZLE FLACONNAGE LIMITED (CONTINUED)

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.

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 obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and misstatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and performing testing around cut-off and completeness of revenue.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

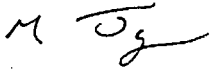
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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.

STOELZLE FLACONNAGE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOELZLE FLACONNAGE LIMITED
(CONTINUED)**



Michael Jayson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 6 December 2022

STOELZLE FLACONNAGE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	54,623,889	41,857,512
Cost of sales		(43,556,128)	(35,540,236)
Gross profit		11,067,761	6,317,276
Distribution costs		(4,301,884)	(2,872,141)
Administrative expenses		(2,608,099)	(2,811,347)
Other operating income	5	71,769	1,654,550
Operating profit	6	4,229,547	2,288,338
Interest receivable and similar income	9	4,591	48
Interest payable and expenses	10	(292,679)	(513,187)
Profit before tax		3,941,459	1,775,199
Tax on profit	11	(1,056,672)	(344,161)
Profit for the financial year		2,884,787	1,431,038

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 16 to 31 form part of these financial statements.

STOELZLE FLACONNAGE LIMITED
REGISTERED NUMBER: 02973822

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	18,470,722	18,977,529
		<u>18,470,722</u>	<u>18,977,529</u>
Current assets			
Stocks	13	10,157,612	9,031,638
Debtors: amounts falling due within one year	14	3,689,100	2,426,422
Cash at bank and in hand	15	1,915,847	25,072
		<u>15,762,559</u>	<u>11,483,132</u>
Creditors: amounts falling due within one year	16	(18,460,918)	(13,301,274)
Net current liabilities		<u>(2,698,359)</u>	<u>(1,818,142)</u>
Total assets less current liabilities		<u>15,772,363</u>	<u>17,159,387</u>
Creditors: amounts falling due after more than one year	17	-	(5,328,483)
Provisions for liabilities			
Deferred tax	19	(1,502,822)	(446,150)
Net assets		<u><u>14,269,541</u></u>	<u><u>11,384,754</u></u>
Capital and reserves			
Called up share capital	20	1,000,000	1,000,000
Profit and loss account	21	13,269,541	10,384,754
		<u><u>14,269,541</u></u>	<u><u>11,384,754</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


TA Riss
 Director

Date: 06.12.22

The notes on pages 16 to 31 form part of these financial statements.

STOELZLE FLACONNAGE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1,000,000	8,953,716	9,953,716
Comprehensive income for the year			
Profit for the year	-	1,431,038	1,431,038
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,431,038	1,431,038
Total transactions with owners	-	-	-
At 1 January 2021	1,000,000	10,384,754	11,384,754
Comprehensive income for the year			
Profit for the year	-	2,884,787	2,884,787
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,884,787	2,884,787
Total transactions with owners	-	-	-
At 31 December 2021	1,000,000	13,269,541	14,269,541

The notes on pages 16 to 31 form part of these financial statements.

STOELZLE FLACONNAGE LIMITED

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

1. General information

Stoelzle Flaconnage Limited ("the Company") is a company limited by shares and incorporated and domiciled in the United Kingdom (Company Number 2973822). The registered office is located at Weeland Road, Knottingley, WF11 8AP. The principal activities of the Company are the manufacture of glass containers from cosmetic type glass, servicing primarily the prestige spirit and perfumery marketplaces.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CAG Holding GmbH as at 31 December 2020 and these financial statements may be obtained from Matthias Ertl, CAG Holding Gesellschaft mbH, Werkstrasse 1, A-3182 Marktl, Austria.

STOELZLE FLACONNAGE LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The Company continues to operate at full capacity for the foreseeable future supported by strong ongoing demand for our products.

The Company currently has available £11 million of unutilised bank overdraft facilities with over £1.9m of cash equivalents at the end of the financial year. The ultimate parent company has confirmed the ongoing availability of a group cash pooling facility for foreign currency borrowings.

Conservative forecasts have been prepared and assessed under various scenarios and with the Director being satisfied that there are sufficient facilities in place to finance future activities, the financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

STOELZLE FLACONNAGE LIMITED

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Income from energy cost overrides

Amounts received and accrued in relation to energy cost overrides contained in sales contracts with major customers have been credited within the cost of sales heading as a contribution towards energy costs of production.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

STOELZLE FLACONNAGE LIMITED

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

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense as they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

STOELZLE FLACONNAGE LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 25 years
Plant and machinery	- 4 to 10 years
Moulds	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as a profit or loss.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Impairment losses are recognised immediately in the Profit and loss account.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

STOELZLE FLACONNAGE LIMITED

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

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

STOELZLE FLACONNAGE LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Company's accounting policies

(i) Functional currency

The functional currency for the Company is the currency of the primary economic environment in which the company operates. The Company has determined the functional currency is GBP. Determination of functional currency may involve certain judgements to determine the primary economic environment. The company reconsiders the functional currency if there is a change in events and conditions which determines the primary economic environment.

(b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Stock provision

The Company manufactures glass bottles for the perfume and spirit industries and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and the condition of the stock, as well as applying anticipated saleability of finished goods and future usage of raw materials. See note 13 for the net carrying amount of stock.

(ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

The whole of the turnover is attributable to one principal business activity of the company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	44,091,558	33,327,690
Rest of Europe	8,889,270	7,167,751
Rest of the world	1,643,061	1,362,071
	<u>54,623,889</u>	<u>41,857,512</u>

STOELZLE FLACONNAGE LIMITED

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

5. Other operating income

	2021 £	2020 £
CJRS income	71,769	1,654,550
	<u>71,769</u>	<u>1,654,550</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation	3,425,565	3,539,967
Other operating lease rentals	307,309	243,369
Pension costs	1,668,782	1,186,415
	<u>1,668,782</u>	<u>1,186,415</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	20,580	19,600
	<u>20,580</u>	<u>19,600</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	2,625	2,730
All other services	1,050	1,000
	<u>1,050</u>	<u>1,000</u>

STOELZLE FLACONNAGE LIMITED

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

8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	12,179,570	11,234,211
Social security costs	1,344,649	1,159,597
Cost of defined contribution scheme	1,374,963	1,214,822
	<u>14,899,182</u>	<u>13,608,630</u>

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

	2021 No.	2020 No.
Works	306	306
Administrative	37	43
Executive	16	16
	<u>359</u>	<u>365</u>

9. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>4,591</u>	<u>48</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	107,486	226,673
Net foreign exchange loss	137,148	224,657
Loans from group undertakings	48,045	61,857
	<u>292,679</u>	<u>513,187</u>

STOELZLE FLACONNAGE LIMITED

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

11. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	-	(9,238)
Total current tax	<u>-</u>	<u>(9,238)</u>
Deferred tax		
Origination and reversal of timing differences	916,245	341,410
Effect of tax rate change on opening balance	140,778	11,025
Adjustment in respect of prior years	(351)	964
Total deferred tax	<u>1,056,672</u>	<u>353,399</u>
Taxation on profit on ordinary activities	<u>1,056,672</u>	<u>344,161</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	3,941,459	1,775,199
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	748,877	337,288
Effects of:		
Expenses not deductible for tax purposes	40,359	212
Fixed asset differences	(117,706)	3,411
Adjustments to tax charge in respect of prior periods	(350)	964
Other permanent differences	-	10
R&D expenditure credits	(872)	(8,749)
Remeasurement of deferred tax for changes in tax rates	360,677	11,025
Adjustment to tax losses	25,687	-
Total tax charge for the year	<u>1,056,672</u>	<u>344,161</u>

Factors that may affect future tax charges

STOELZLE FLACONNAGE LIMITED

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

11. Taxation (continued)

At the year end the Company had tax losses to carry forward against future profits of £2.2m (2020 - £4.6m).

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Moulds £	Total £
Cost or valuation				
At 1 January 2021	2,050,000	40,887,052	1,700,927	44,637,979
Additions	-	2,563,868	361,023	2,924,891
Disposals	-	(279,286)	-	(279,286)
At 31 December 2021	<u>2,050,000</u>	<u>43,171,634</u>	<u>2,061,950</u>	<u>47,283,584</u>
Depreciation				
At 1 January 2021	1,510,000	22,901,446	1,249,004	25,660,450
Charge for the year on owned assets	-	3,090,558	335,007	3,425,565
Disposals	-	(273,153)	-	(273,153)
At 31 December 2021	<u>1,510,000</u>	<u>25,718,851</u>	<u>1,584,011</u>	<u>28,812,862</u>
Net book value				
At 31 December 2021	<u>540,000</u>	<u>17,452,783</u>	<u>477,939</u>	<u>18,470,722</u>
At 31 December 2020	<u>540,000</u>	<u>17,985,606</u>	<u>451,923</u>	<u>18,977,529</u>

The net book value of freehold property may be further analysed as follows:

	2021 £	2020 £
Freehold land (not depreciated)	<u>540,000</u>	<u>540,000</u>

STOELZLE FLACONNAGE LIMITED

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

13. Stocks

	2021 £	2020 £
Raw materials and consumables	2,881,608	2,549,094
Finished goods and goods for resale	7,276,004	6,482,544
	<u>10,157,612</u>	<u>9,031,638</u>

14. Debtors

	2021 £	2020 £
Trade debtors including factored debts	11,926,448	11,018,035
Factored debts	(9,783,397)	(8,964,208)
Amounts owed by group undertakings	145,176	43,401
Other debtors	92,493	110,717
Prepayments and accrued income	1,308,380	218,477
	<u>3,689,100</u>	<u>2,426,422</u>

The Company has entered into an agreement to factor a specific proportion of trade debtors with Erste Bank. The amounts factored at the reporting date are shown above.

Trade debtors are stated after provision for impairment of £nil (2020 - £92,526).

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,915,847	25,072
Less: bank overdrafts	-	(44,901)
	<u>1,915,847</u>	<u>(19,829)</u>

STOELZLE FLACONNAGE LIMITED

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

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	44,901
Bank loans	833,333	1,666,667
Trade creditors	8,007,063	4,908,521
Amounts owed to group undertakings	2,851,858	1,724,063
Other taxation and social security	773,457	1,097,163
Other creditors	561,723	433,844
Accruals and deferred income	4,083,484	2,076,115
Share capital treated as debt	1,350,000	1,350,000
	<u>18,460,918</u>	<u>13,301,274</u>

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	833,333
Amounts owed to group undertakings	-	4,495,150
	<u>-</u>	<u>5,328,483</u>

18. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	833,333	1,666,667
Amounts falling due 1-2 years		
Bank loans	-	833,333
	<u>833,333</u>	<u>2,500,000</u>

STOELZLE FLACONNAGE LIMITED

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

19. Deferred taxation

	2021 £	2020 £
At beginning of year	(446,150)	(92,751)
Charged to profit or loss	(1,056,672)	(353,399)
At end of year	<u>(1,502,822)</u>	<u>(446,150)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(1,957,632)	(1,198,374)
Tax losses carried forward	553,755	881,417
Short term timing differences	(98,945)	(129,193)
	<u>(1,502,822)</u>	<u>(446,150)</u>

STOELZLE FLACONNAGE LIMITED

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

20. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000,000 (2020 - 1,000,000) Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
	2021 £	2020 £
Shares classified as debt		
Allotted, called up and fully paid		
600,000 (2020 - 600,000) Ordinary A Redeemable shares of £1.00 each	<u>600,000</u>	<u>600,000</u>
750,000 (2020 - 750,000) Ordinary B Redeemable shares of £1.00 each	<u>750,000</u>	<u>750,000</u>
	<u>1,350,000</u>	<u>1,350,000</u>

The redeemable shares are redeemable at par at the option of the shareholder. Redeemable shares carry no voting rights, no rights to receive dividends and do not entitle the holder to receive repayment of capital in priority to the holders of other classes of shares.

On 17 December 2021, the redeemable period for the redeemable shares was extended by Special Resolution to 31 December 2022.

21. Reserves

Profit and loss account

The profit and loss account represents the accumulation of all historical profits and/or losses accumulated since the incorporation of the entity.

22. Capital commitments

At 31 December 2021 the Company had capital commitments for plant and machinery of £399,113 (2020: £33,928).

STOELZLE FLACONNAGE LIMITED

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

23. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	134,313	39,134
Later than 1 year and not later than 5 years	178,867	12,794
	<u>313,180</u>	<u>51,928</u>

During the course of the period, £307,309 (2020 - £243,369) of lease payments were expensed to the profit and loss account.

24. Related party transactions

The only related party transactions entered into during the year were to other members within the group headed by CAG Holding GmbH. Transactions include sales to other group members as well as management and technical support charges and other similar charges from other group members.

25. Controlling party

The Company is a subsidiary undertaking of Stöelzle Oberglas GmbH, incorporated in Austria.

The largest group in which the results of the Company are consolidated is that headed by CAG Holding GmbH, incorporated in Austria. The consolidated financial statements of these groups are available to the public and may be obtained from:

Matthias Ertl
CAG Holding GmbH
Werkstraße 1
A-3182 Lilienfeld/Markt
Austria