Registered number: 02973822

STOELZLE FLACONNAGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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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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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The director presents his Strategic Report for the year ended 31 December 2022.

Business review

The principal activity of the Company during the year was the production of glass containers.

The Company offers premium quality products, often with high levels of technical complexity, supported by our innovative design services, to customers in the prestige spirit marketplace and also the perfumery sector.

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 £2,986,833 (2021: £2,884,787).

The results show a stable year of profitability in comparison to the previous year, supported by a continued strong demand for our products. This was despite facing unprecedented cost increases experienced primarily in energy and raw materials as a result of the Russia Ukraine conflict.

The quality of our product, in addition to bespoke customer requirements is of paramount importance and we have continued to invest in various technologies throughout the year, including the completion of our Post Consumer Recycled glass batch facility which will support our future sustainability targets.

As a result, the quality of our products and services continued to achieve high standards during the year, evidenced by progress with our customer scorecards and against our key performance indicators outlined below.

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 these 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 and costs are denominated in either US Dollars or Euros. The company also 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 overriders with major customers.

Political risk

The majority of our customer base is within the UK and Ireland 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 post Covid pandemic 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.

Financial key performance indicators

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

Revenue

Turnover increased by 19.2% in 2022 driven mainly by increased prices.

Margin

Gross margin was 18.5% in the year compared to 19.1% in the prior year. The Company operated at full capacity during the year and was able to manage the increased cost pressures through production efficiencies and sales prices.

Cash Management

The Company manages its resources to ensure it is able to continue as a going concern whilst controlling 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 banking institutions; and invoice factoring facilities of up to £20M, which together 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

Safety
The Company is committed to the health and safety impacts of its operations on employees and visitors. The number of lost time accidents per 100,000 hours worked is used to track this objective. Lost time accidents per 100,000 hours worked were 0.74 in 2022 (2021: 0.69).

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. These are agreed and reviewed with customers on an individual basis.

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

Statement by the director in performance of his statutory duties in accordance with s172 (1) Companies Act 2006.

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 decisions 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 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 duties 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 duties:

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 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 on a group level involving senior management on a regular basis. The Certification of the ISO 14001:2015 which was achieved in the year contributed to a very systematic appraisal of the environmental aspects to our risk management.

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 an appropriate way. The business overcame some exceptional challenges in the past two years, navigating through the pandemic and the energy crisis, demonstrating that our relationship with our people is strong. We continue to provide specific training in relation our own processes and equipment to further support staff development.

Disabled employees

The Company is committed to being an equal opportunities employer. Full and fair consideration is made to applications for employment from all candidates. The selection process is objective, consistent and non-discriminatory. Arrangements made during the recruitment process aim to eliminate any disadvantage to less abled candidates and invitations to interview enquire whether any reasonable adjustments are required. Support is offered to any employee that becomes disabled throughout their term of employment to return to the workplace. This could be to their previous role where possible, with reasonable adjustments if needed, or to a more suitable role if available. Our Employee Assistance Program and onsite Occupational Health Nurse and Physiotherapist are all available to any employee who may require assistance. The company considers and provides training to help the development and promotion of all employees, including those that may require additional support throughout their employment due to a disability.

Business relationships

Our continued 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, including initiatives to reduce our packaging and 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 also continue to develop sustainable, long-term relationships with our key suppliers.

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 continue to support local schools and sports initiatives, in additional to organising charity events for local groups of vulnerable individuals. A highlight within the year, in cooperation with the Wakefield Museum and the local community, was the "Light –Up" event which was hosted on our premises, highlighting and celebrating the glass industry within the local region.

The company uses the same process model to constantly improve our environmental footprint, by maintaining what we have previously achieved and implementing improvements wherever we see the opportunity to do so. The achievement of the ISO 14001:2015 certification 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, whether this be with our head office and with the owner's family. These communications take place regularly at various levels and are always held in a very positive mood, being forward looking and target driven to ensure alignment with all relevant parties.

This report was approved by the board on 15.06.2023 and signed on its behalf.

TA Riss
Director

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

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 £2,986,833 *(2021 - £2,884,787)*.

The director does not recommend a 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, glass production and inspection facilities, in addition to considering future environmental and sustainability requirements to enable us to further develop market opportunities in the prestige and premium spirit sector. Following the recent investment in 2022 in a PCR (post consumer recycled) glass production facility, the focus will move towards meeting our future sustainability targets, without compromising existing quality standards and ensuring the future growth strategy can be achieved.

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

Greenhouse gas emissions, energy consumption and energy efficiency action

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

Streamlined Energy and Carbon Reporting

		Current reporting year	Previous reporting year
		2022	2021
Energy consumption used to calculate emissions: /kWh		169,846,672	165,952,299
Breakdown of above total energy by source	**Electricity**	32,517,635	34,060,248
	Gas (& Other Fuels)	137,279,658	131,865,772
	Transport	49,378	26,280
	Other	0	0
Emissions from combustion of gas and other fuels (Scope 1) / tCO2e		25,094.01	24,227.33
Emissions from combustion of fuel for transport purposes (Scope 1) / tCO2e		5.96	4.58
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) / tCO2e		6.09	1.71
Emissions from purchased electricity (Scope 2, location-based) / tCO2e		6,288.26	7,232.01
Total gross CO2e based on above / tCO2e		31,394.31	31,465.63
Intensity ratio: tCO2e (gross) per tonne:		0.578	0.582

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 UK Government's Conversion Factors for Company Reporting.

Gas emissions for 2021 has been adjusted following review.

Intensity measurement

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

Energy Efficiency Action Taken:
Installed new more efficient air compressors
Compressor control systems, for LP and HP
Air usage reductions
Air leak detection and repair
LED lighting replacement
IE3 to IE4 motor exchange program

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

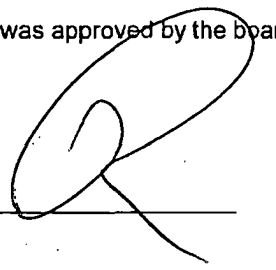
Post balance sheet events

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 on 15.06.2023 and signed on its behalf.



TA Riss
Director

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 2022, 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 2022 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.

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.

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

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 5, 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 has 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.

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 existence of revenue.

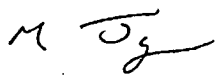
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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



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: 15 June 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	**65,122,776**	*54,623,889*
Cost of sales		**(53,068,449)**	*(44,202,725)*
Gross profit		**12,054,327**	*10,421,164*
Distribution costs		**(5,322,885)**	*(4,301,884)*
Administrative expenses		**(2,776,760)**	*(1,961,502)*
Other operating income	5	**-**	*71,769*
Operating profit	6	**3,954,682**	*4,229,547*
Interest receivable and similar income	10	**682**	*4,591*
Interest payable and similar expenses	11	**(276,270)**	*(292,679)*
Profit before tax		**3,679,094**	*3,941,459*
Tax on profit	12	**(692,261)**	*(1,056,672)*
Profit for the financial year		**2,986,833**	*2,884,787*
Other comprehensive income for the year			
Total comprehensive income for the year		**2,986,833**	*2,884,787*

The notes on pages 16 to 30 form part of these financial statements.

STOELZLE FLACONNAGE LIMITED
REGISTERED NUMBER: 02973822

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**18,116,181**		*18,470,722*
			18,116,181		*18,470,722*
Current assets					
Stocks	14	**10,297,621**		*10,157,612*	
Debtors: amounts falling due within one year	15	**5,274,732**		*3,689,100*	
Cash at bank and in hand	16	**2,325,090**		*1,915,847*	
		17,897,443		*15,762,559*	
Creditors: amounts falling due within one year	17	**(16,562,167)**		*(18,460,918)*	
Net current assets/(liabilities)			**1,335,276**		*(2,698,359)*
Total assets less current liabilities			**19,451,457**		*15,772,363*
Provisions for liabilities					
Deferred tax	19	**(2,195,083)**		*(1,502,822)*	
			(2,195,083)		*(1,502,822)*
Net assets			**17,256,374**		*14,269,541*
Capital and reserves					
Called up share capital	20		**1,000,000**		*1,000,000*
Profit and loss account	21		**16,256,374**		*13,269,541*
			17,256,374		*14,269,541*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15.06.2023

TA Riss
Director

The notes on pages 16 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	**1,000,000**	**13,269,541**	**14,269,541**
Comprehensive income for the year			
Profit for the year	**-**	**2,986,833**	**2,986,833**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**2,986,833**	**2,986,833**
Total transactions with owners	**-**	**-**	**-**
At 31 December 2022	**1,000,000**	**16,256,374**	**17,256,374**

The notes on pages 16 to 30 form part of these financial statements.

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 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 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Going concern

The company continues to operate at full capacity for the foreseeable future with ongoing strong demand for our products in the Prestige Spirit market.

The Company currently has available £11 million of unutilised external bank overdraft facilities with over £2.3 million of cash equivalents at the end of the financial year. The utimate parent company, CAG Holding GmbH has confimed the ongoing availability of a group cash pooling facility for foreign currency borrowing up to a maximum level of €3 million Euro up to 31st December 2023, of which €1.1 million Euro was utilised at the end of the financial year.

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

2. Accounting policies (continued)

2.3 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 are presented in the Statement of comprehensive income within interest payable and similar expenses.

2.4 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.

2.5 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. Accounting policies (continued)

2.6 Interest income

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

2.7 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.

2.8 Borrowing costs

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

2.9 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 in profit or loss when 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.

2.10 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. Accounting policies (continued)

2.11 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.

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:

Buildings	- 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 in profit or loss.

2.12 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. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 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.

2.15 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.

2. Accounting policies (continued)

2.16 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.

2.17 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 interest payable and similar expenses. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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 prestige spirit and perfumery market places 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 14 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 15 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

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

Analysis of turnover by country of destination:

	2022 £	*2021* *£*
United Kingdom	**54,443,793**	*44,091,558*
Rest of Europe	**10,282,487**	*8,889,270*
Rest of the world	**396,496**	*1,643,061*
	65,122,776	*54,623,889*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Other operating income

	2022 £	*2021* *£*
Other operating income	-	*71,769*
	-	*71,769*

6. Operating profit

The operating profit is stated after charging:

	2022 £	*2021* *£*
Depreciation	**3,400,831**	*3,425,565*
Other operating lease rentals	**363,626**	*307,309*
Pension costs	**1,506,531**	*1,668,782*

7. Auditor's remuneration

	2022 £	*2021* *£*
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	**25,250**	*20,580*
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	**4,180**	*2,625*
All other services	**2,500**	*1,050*

8. Employees

Staff costs, including director's remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	**13,706,813**	*12,359,907*
Social security costs	**1,536,644**	*1,344,649*
Cost of defined contribution scheme	**1,506,531**	*1,374,963*
	16,749,988	*15,079,519*

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

	2022 No.	2021 No.
Works	**318**	*306*
Administrative	**39**	*37*
Executive	**16**	*16*
	373	*359*

9. Director's remuneration

	2022 £	2021 £
Director's emoluments	**199,107**	*180,337*
	199,107	*180,337*

10. Interest receivable

	2022 £	2021 £
Other interest receivable	**682**	*4,591*
	682	*4,591*

11. Interest payable and similar expenses

	2022 £	*2021* *£*
Bank interest payable	**278,167**	*107,486*
Net foreign exchange (gain)/loss	**(38,311)**	*137,148*
Group loan interest	**36,414**	*48,045*
	276,270	*292,679*

12. Taxation

	2022 £	*2021* *£*
Total current tax	**-**	*-*
Deferred tax		
Origination and reversal of timing differences	**556,442**	*916,245*
Changes to tax rates	**175,719**	*140,778*
Adjustment in respect of prior years	**(39,900)**	*(351)*
Total deferred tax	**692,261**	*1,056,672*
Taxation on profit on ordinary activities	**692,261**	*1,056,672*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £	*2021* *£*
Profit on ordinary activities before tax	**3,679,094**	*3,941,459*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**699,028**	*748,877*
Effects of:		
Expenses not deductible for tax purposes	**2,959**	*40,359*
Fixed asset differences	**(145,416)**	*(117,706)*
Adjustments to tax charge in respect of previous periods - deferred tax	**(39,900)**	*(350)*
R&D expenditure credits	**(129)**	*(872)*
Remeasurement of deferred tax for changes in tax rates	**175,719**	*360,677*
Adjustment to tax losses	**-**	*25,687*
Total tax charge for the year	**692,261**	*1,056,672*

Factors that may affect future tax charges

At the year end, the Company had tax tossess to carry forward against future profits of £0.15M (2021: £2.37M).

13. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Moulds £	Total £
Cost or valuation				
At 1 January 2022	**2,050,000**	**43,171,634**	**2,061,950**	**47,283,584**
Additions	**-**	**2,860,007**	**241,499**	**3,101,506**
Disposals	**-**	**(627,348)**	**(860,054)**	**(1,487,402)**
At 31 December 2022	**2,050,000**	**45,404,293**	**1,443,395**	**48,897,688**
Depreciation				
At 1 January 2022	**1,510,000**	**25,718,851**	**1,584,011**	**28,812,862**
Charge for the year	**-**	**3,136,384**	**264,447**	**3,400,831**
Disposals	**-**	**(624,348)**	**(807,838)**	**(1,432,186)**
At 31 December 2022	**1,510,000**	**28,230,887**	**1,040,620**	**30,781,507**
Net book value				
At 31 December 2022	**540,000**	**17,173,406**	**402,775**	**18,116,181**
At 31 December 2021	*540,000*	*17,452,783*	*477,939*	*18,470,722*

The net book value of land and buildings may be further analysed as follows:

	2022 £	*2021 £*
Freehold land	**540,000**	*540,000*
	540,000	*540,000*

14. Stocks

	2022 £	2021 £
Raw materials and consumables	**2,346,681**	*2,881,608*
Finished goods and goods for resale	**7,950,940**	*7,276,004*
	10,297,621	*10,157,612*

15. Debtors

	2022 £	2021 £
Trade debtors including factored debts	**16,126,862**	*11,926,448*
Factored debts	**(12,851,367)**	*(9,783,397)*
Amounts owed by group undertakings	**109,870**	*145,176*
Other debtors	**72,749**	*92,493*
Prepayments and accrued income	**1,816,618**	*1,308,380*
	5,274,732	*3,689,100*

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.

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**2,325,090**	*1,915,847*
	2,325,090	*1,915,847*

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	-	833,333
Trade creditors	7,992,551	8,007,063
Amounts owed to group undertakings	2,062,667	2,851,858
Other taxation and social security	1,339,136	773,457
Other creditors	591,722	561,723
Accruals and deferred income	3,226,091	4,083,484
Share capital treated as debt	1,350,000	1,350,000
	16,562,167	18,460,918

18. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	5,783,204	4,296,567
Financial liabilities		
Financial liabilities measured at amortised cost	16,441,182	18,460,918

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade payables, loans, accruals and other payables.

19. Deferred taxation

	2022 £
At beginning of year	(1,502,822)
Charged to profit and loss	(692,261)
At end of year	(2,195,083)

19. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	**(2,225,429)**	*(1,957,632)*
Tax losses carried forward	**37,952**	*553,755*
Short term timing differences	**(7,606)**	*(98,945)*
	(2,195,083)	*(1,502,822)*

20. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000,000 *(2021 - 1,000,000)* Ordinary shares of £1 each	**1,000,000**	*1,000,000*

	2022 £	2021 £
Shares classified as debt		
Allotted, called up and fully paid		
600,000 *(2021 - 600,000)* Ordinary A Redeemable shares of £1 each	**600,000**	*600,000*
750,000 *(2021 - 750,000)* Ordinary B Redeemable shares of £1 each	**750,000**	*750,000*
	1,350,000	*1,350,000*

21. Reserves

Profit and loss account

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

22. Capital commitments

At 31 December 2022 the Company had capital commitments for plant and machinery of £1,774,023 (2021: £399,113).

23. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	*2021* *£*
Not later than 1 year	**295,285**	*134,313*
Later than 1 year and not later than 5 years	**237,447**	*178,867*
	532,732	*313,180*

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 Stoelzle 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