

Registered Number 00127795

Lax & Shaw Limited
Annual Report and Financial Statements
for the year ended 7 December 2019



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Lax & Shaw Limited

Directors and advisers

Directors

A Henderson
N Maskrey
R Summers

Company Secretary

J S McLean

Registered Office

69 South Accommodation Road
Leeds
LS10 1NQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Financiers

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Lax & Shaw Limited

Strategic report for the year ended 7 December 2019

The directors present their strategic report and the audited financial statements of the Company for the year ended 7 December 2019.

Principal Activities

The Company's principal activity is the manufacture of glass containers, which are all sold to a fellow subsidiary of the Allied Glass Group (the "Group").

Review of Business

The results of the business are set out in the statement of comprehensive income on page 8.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using additional KPIs is not necessary for the understanding of the development, performance or position of the business.

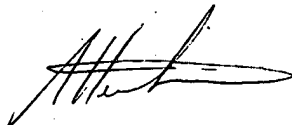
Principal risks and uncertainties facing the Group

The Company is entirely dependent on the performance of the other companies within the Group. The principal risks are described within the financial statements of Project Aqua Topco Limited and Allied Glass Containers Limited which are publicly available.

Financial risk management

The financial risk management of the Company is also very much dependent on the financial risk management of other Group companies, as disclosed within their respective financial statements disclosed above.

On behalf of the Board



A Henderson
Director

1 December 2020

Directors' report for the year ended 7 December 2019

The directors present their annual report and the audited financial statements of the Company for the year ended 7 December 2019.

Equity dividends

The directors have neither declared nor paid a dividend in the current or prior year.

Directors

The current directors of the Company are set out on page 1, all of whom served throughout the year and up to the date of these financial statements. No director had at any time during the year any material interest in a contract with the Company.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Lax & Shaw Limited

Directors' report for the year ended 7 December 2019 (continued)

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

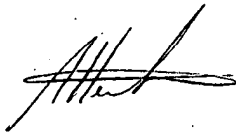
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

Subsequent events

Particulars of matters arising since the balance sheet date are given in notes 13 and 14 to the financial statements.

Approval

The Directors' report was approved by the board on 1 December 2020 and signed on its behalf by:



A Henderson
Director

Independent auditors' report to the members of Lax & Shaw Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lax & Shaw Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 7 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 7 December 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

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

Independent auditors' report to the members of Lax & Shaw Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the year ended 7 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report to the members of Lax & Shaw Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
1 December 2020

Lax & Shaw Limited

Statement of comprehensive income for the year ended 7 December 2019

	Note	Year ended 7 December 2019 £'000	Year ended 8 December 2018 £'000
Revenue	1	65,748	33,007
Cost of sales		(58,336)	(29,252)
Gross profit		7,412	3,755
Administrative expenses		(1,435)	(754)
Profit before taxation	2	5,977	3,001
Tax on profit	5	(1,136)	(570)
Profit for the financial year		4,841	2,431
Other comprehensive expense		(4,463)	-
Total comprehensive income for the year		378	2,431

The above results all relate to continuing activities.

There is no difference between the profit before taxation and profit for the financial year stated above and their historical cost equivalents.

The statement of accounting policies and notes on pages 11 to 17 form an integral part of these financial statements.

Lax & Shaw Limited

Statement of financial position as at 7 December 2019

	Note	7 December 2019 £'000	8 December 2018 £'000
Current assets			
Inventories	6	1,633	1,475
Trade and other receivables	7	7,426	1,607
Total assets		9,059	3,082
Equity and liabilities			
Current liabilities			
Current taxation payable		659	570
Trade and other payables	8	5,510	-
Current and total liabilities		6,169	570
Equity			
Called up share capital	9	81	81
Retained earnings		2,809	2,431
Total equity		2,890	2,512
Total equity and liabilities		9,059	3,082

The statement of accounting policies and notes on pages 11 to 17 form an integral part of these financial statements.

The financial statements were approved by the board of directors on 1 December 2020 and signed on its behalf by:



A Henderson
Director

Registered number: 00127795

Lax & Shaw Limited

Statement of changes in equity for the year ended 7 December 2019

	Called up share capital £'000	Retained earnings £'000	Total Equity £'000
Balance at 10 December 2017	81	-	81
Profit and total comprehensive income for the year	-	2,431	2,431
Balance at 8 December 2018	81	2,431	2,512
Profit for the year	-	4,841	4,841
Other comprehensive expense:			
Payments made for group relief in excess of the prevailing tax rate for the year	-	(4,463)	(4,463)
Balance at 7 December 2019	81	2,809	2,890

The statement of accounting policies and notes on pages 11 to 17 form an integral part of these financial statements.

Statement of accounting policies for the year ended 7 December 2019

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements of Lax & Shaw Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on the going concern basis and under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 Financial instruments: Disclosures;
- The requirements within IAS 1 relating to the presentation of certain comparative information;
- The requirement within IAS 7 to present a cash flow statement;
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- The requirements of IAS 24 to disclose transactions between two or more members of a group and key management compensation disclosure.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas of note involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant.

New standards and amendments

The following new standards and amendments to standards are mandatory for the first time for the financial period beginning 9 December 2018:

- IFRS 9 'Financial Instruments' (effective 1 January 2018)
- IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018)
- Amendments to IFRS 2 'Share-based Payment' that clarify the classification and measurement of share-based payment transactions (effective 1 January 2018)
- 'Annual Improvements to IFRS Standards 2014–2016 Cycle' (effective 1 January 2018)
- 'Transfers of Investment Property (Amendments to IAS 40)' (effective 1 January 2018)
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective 1 January 2018)

The adoption of the above pronouncements did not have any impact on the Company's reported transactions and balances, as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Company's activities. Revenue is shown net of value added tax, rebates, discounts and after eliminating sales within the Company.

Statement of accounting policies for the year ended 7 December 2019 (continued)

Revenue recognition (continued)

Under normal circumstances, revenue from product sales is recognised upon delivery to the customer or, in the case of goods supplied ex-works, generally upon collection by the customer or their agent.

Inventories

Inventories are stated at the lower of cost and net realisable value after making due provision against obsolete and slow moving items. Cost is determined on a first in first out basis and in the case of manufactured goods the term 'cost' includes raw materials, production wages and production overheads based on normal production activity levels at the balance sheet date. Net realisable value is the estimated selling price in the ordinary course of business and takes into account all estimated costs to completion and all costs to be incurred in marketing, selling and distribution directly related to the items in question. Provision is made for aged inventory, inventory wastage and quarantine inventory.

Pensions

The Company contributes to a defined contribution pension scheme operated by a fellow subsidiary, Allied Glass Containers Limited, on a contractual or voluntary basis. The assets of the scheme are invested and managed independently of the finances of the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Current and deferred taxation

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds.

Lax & Shaw Limited

Notes to the financial statements for the year ended 7 December 2019

1 Revenue

All revenue is derived from the same class of business and originates from the UK.

2 Profit before taxation

Profit before taxation is stated after charging:	7 December 2019	8 December 2018
	£'000	£'000
Operating lease rentals		
- Plant and machinery	6,780	3,528

Fees payable of £6,000 (2018: £6,000) to the Company's auditor were borne by Allied Glass Containers Limited, a fellow Group company.

3 Directors and employee information

The average monthly number of persons employed by the Company (including Directors) during the year analysed by category was as follows:

By activity	7 December 2019 No	8 December 2018 No
Production	208	109

The number of employees as at 7 December 2019 was 216 (8 December 2018: 203).

Employees are paid by Allied Glass Containers Limited for administrative purposes. The costs associated with the staff are recharged by Allied Glass Containers Limited on a quarterly basis. The directors receive no remuneration in respect of services to the Company (2018: £nil).

Lax & Shaw Limited

Notes to the financial statements for the year ended 7 December 2019 (continued)

4 Employee benefit expense

The aggregate payroll costs of these persons were as follows:

	7 December 2019 £'000	8 December 2018 £'000
Wages and salaries	8,287	4,167
Social security costs	924	435
Other pension costs	466	242
Employee benefit expenses included in profit before taxation	9,677	4,844

5 Taxation

	7 December 2019 £'000	8 December 2018 £'000
Current tax		
UK corporation tax at 19% (2018: 19%)	1,136	570
Current and total tax charge	1,136	570

The tax assessed for the year is the same as (2018: the same as) the effective rate of corporation tax in the UK of 19% (2018: 19%).

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020. This change was substantively enacted at the balance sheet date and its effects are included in these financial statements. Under the 2020 Spring Budget it was announced that the rate would remain at 19%, but this was not substantively enacted at the balance sheet date.

6 Inventories

	7 December 2019 £'000	8 December 2018 £'000
Raw materials and consumables	1,633	1,475

Inventories recognised as an expense in the year were £58,336k (2018: £29,252k). There was no provision for impairment of inventory.

Notes to the financial statements for the year ended 7 December 2019 (continued)

7 Trade and other receivables

	7 December 2019 £'000	8 December 2018 £'000
Amounts owed by group undertakings	7,426	1,607

Amounts owed by group undertakings are repayable on demand and incur no interest. The Company holds no security in respect of the amounts owed.

8 Trade and other payables

	7 December 2019 £'000	8 December 2018 £'000
Amounts owed to group undertakings	5,510	

Amounts owed to group undertakings are unsecured, repayable on demand and incur no interest.

9 Called up share capital

	7 December 2019 £'000	8 December 2018 £'000
Authorised		
Ordinary shares of £1 each	100	100
Allotted and fully paid		
Ordinary shares of £1 each	81	81

10 Retirement benefit obligations

The Company makes contributions for its employees to a defined contribution pension scheme operated by a fellow subsidiary, Allied Glass Containers Limited. Contributions are recharged to the Company on a quarterly basis and are recorded in the Statement of comprehensive income as they are incurred.

The total contributions payable by the Company for the year were £466K (2018: £242K).

Notes to the financial statements for the year ended 7 December 2019 (continued)

11 Contingent liabilities

The Company is a guarantor to the Group's £39m term loan and £36m working capital facility.

12 Related parties

a) Transactions with subsidiaries

The Company is exempt from disclosing transactions with other Group companies.

b) Transactions with parent companies

The Directors consider CBPE Capital LLP to be the ultimate controlling party and parent undertaking at the balance sheet date.

There were no transactions with CBPE Capital LLP during the year (2018: none).

13 Controlling parties

The immediate holding company is Allied Glass Containers Limited, which is incorporated in Great Britain and registered in England and Wales.

The ultimate holding company is Project Aqua Topco Limited, which is incorporated in Great Britain and registered in England and Wales.

The Directors consider the ultimate controlling party to be CBPE Capital LLP at the balance sheet date.

Project Aqua Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 7 December 2019. The consolidated financial statements of Project Aqua Topco Limited are available from Companies House.

On 20 December 2019, Project Aqua Topco Limited was acquired by an affiliate of Sun European Partners LLP, and Tonic Topco Limited, a company incorporated in Jersey, became the ultimate holding company at that date. Sun European Partners LLP is now considered to be the ultimate controlling party.

**Notes to the financial statements for the year ended
7 December 2019 (continued)**

14 Post balance sheet events

Subsequent to the year end the coronavirus pandemic (Covid-19) has spread across the globe, resulting in the UK government taking measures to limit social contact such as restricting movement. The impact of Covid-19 is a non-adjusting post balance sheet event in these financial statements. The impact of the pandemic on the Group's performance and liquidity and the measures taken by management in response are explained in the Strategic reports of Allied Glass Containers Limited and Project Aqua Topco Limited, which are publicly available.