

Company registration number 00974737 (England and Wales)

FISCHBACH (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

FISCHBACH (UK) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr T Langensiepen Mr S Riding |
| Secretary | Mrs A M Callaghan |
| Company number | 00974737 |
| Registered office | Warrington Road Manor Park Runcorn Cheshire United Kingdom WA7 1SN |
| Auditor | Azets Audit Services St David's Court Union Street Wolverhampton WV1 3JE |

FISCHBACH (UK) LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Strategic report | 1 - 2 |
| Directors' report | 3 - 4 |
| Independent auditor's report | 5 - 7 |
| Profit and loss account | 8 |
| Statement of comprehensive income | 9 |
| Balance sheet | 10 |
| Statement of changes in equity | 11 |
| Statement of cash flows | 12 |
| Notes to the financial statements | 13 - 25 |

FISCHBACH (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The first half of 2022 saw buoyant sales carrying over from 2021. Continuing high demand for our products ensured a good Q1/Q2 company performance. As in the previous two years Fischbach UK continued to struggle to meet UK customers volume demand for products and as such supply lead times were longer than our standard 1-2 weeks. This again forced customers to source elsewhere abroad in continental Europe where necessary.

The Ukraine/Russia situation impacted raw materials supplies to Fischbach UK and to many of our customers. As a result, Fischbach UK had to seek out alternative suppliers & obtain new product approvals at short notice with its main customers.

From Q3 we saw a slowing down in the UK DIY & trade market & our biggest customer announced a cut back of cartridge purchased by up to 50% to end of 2022. Discussions at the time with our other top ten customers also indicated a slowing down in the market towards the end of the year which impacted sales significantly & affected our standard factory working time for a short period in September. Raw materials supply problems with our customers were also a contributing factor to falling cartridge sales Q3/Q4.

However, this was seen as a temporary situation and that the UK DIY/trade markets would return soon though not at the levels previously enjoyed in 2020 through to mid-2022.

A significant impactor to the business late 2022 was the fact Fischbach UK came to the end of its 3-year fixed energy contract. Even with UK Govt. support the increased energy cost was challenging & as such customer product prices were increased to recover the oncost to the business.

Principal risks and uncertainties

The main threats for the trading year.

1. The main concern for 2022 was the current uncertainty in the market, possible reduced consumer demand. This did affect customers' orders to the business.
2. Raw material costs & supply lines remained a concern though recent supplies were more stable than in 2021 & earlier in 2022.
3. Covid cases in the local area had risen in Q1/Q2 & again this remained a concern to the business for 2022 due to lack of key personnel affecting operational efficiencies.
4. The impact on the operation due to the growing transition of our UK customers towards recycled products & the potential for disruption on our production lines.
5. Energy cost to the business.
6. Economic Inflation & interest rates were also a consideration as business impactors.

Developments

The continuing development of recycled products to meet the UK government plastics tax program will accelerate over the coming months in 2023 and this will be a challenge for us in terms of raw material supply lines, meeting customers volume demands, operational efficiency & product quality conformity.

Key performance indicators

Due to the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Fischbach (UK) Ltd is a highly efficient manufacturer of plastic cartridge systems. The business employs systems & procedures to monitor our performance and these will continue to be developed for the future. There are also key staff appointments which will improve the way we operate the business.

FISCHBACH (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Future

The market for 2023 will continue to be challenging for Fischbach UK. However, the signs in the marketplace are more positive than in the second half of 2022. Fischbach UK will continue to dominate the UK in its market segment and with visibly increasing demand for its products early in 2023 we may find our manufacturing capacities challenged once again and a need for further investment in the factory/plant & equipment.

By order of the board

Mrs A M Callaghan
Secretary

21 September 2023

FISCHBACH (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the manufacture and distribution of plastic cylinders and cartridges.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,200,000. The directors recommend payment of a final dividend amounting to £1,500,000.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T Langensiepen

Mr S Riding

Financial instruments

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable requirements.

Foreign currency risk

The company is exposed to foreign currency risks, and seeks to manage this by monitoring the fluctuation of foreign currency and exchange rates.

Credit risk

Given the significant trading with a relatively small number of major customers, the company has procedures in place to manage these accounts.

Auditor

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

FISCHBACH (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mrs A M Callaghan
Secretary

21 September 2023

FISCHBACH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FISCHBACH (UK) LIMITED

Opinion

We have audited the financial statements of Fischbach (UK) Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

FISCHBACH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FISCHBACH (UK) LIMITED

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 directors' 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 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FISCHBACH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FISCHBACH (UK) LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Lee Meredith ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

25 September 2023
St David's Court
Union Street
Wolverhampton
WV1 3JE

FISCHBACH (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|------------------|------------------|
| Turnover | 3 | 15,665,691 | 16,006,928 |
| Cost of sales | | (7,859,902) | (7,805,893) |
| Gross profit | | 7,805,789 | 8,201,035 |
| Distribution costs | | (699,859) | (688,083) |
| Administrative expenses | | (5,542,901) | (5,462,134) |
| Other operating income | | - | 3,561 |
| Operating profit | 5 | 1,563,029 | 2,054,379 |
| Interest receivable and similar income | 8 | 15,797 | - |
| Interest payable and similar expenses | 9 | (646) | - |
| Profit before taxation | | 1,578,180 | 2,054,379 |
| Tax on profit | 10 | (293,185) | (436,900) |
| Profit for the financial year | | 1,284,995 | 1,617,479 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

FISCHBACH (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 DECEMBER 2022**

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Profit for the year | 1,284,995 | 1,617,479 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>1,284,995</u> | <u>1,617,479</u> |

The notes on pages 13 to 25 form part of these financial statements.

FISCHBACH (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | | 2022 | | 2021 | |
|---|-------|--------------------|-------------------------|--------------------|-------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 3,088,443 | | 3,594,750 |
| Current assets | | | | | |
| Stocks | 13 | 824,400 | | 958,338 | |
| Debtors | 15 | 3,484,602 | | 3,642,137 | |
| Cash at bank and in hand | | 1,749,183 | | 946,620 | |
| | | <u>6,058,185</u> | | <u>5,547,095</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(1,009,180)</u> | | <u>(1,022,356)</u> | |
| Net current assets | | | <u>5,049,005</u> | | <u>4,524,739</u> |
| Total assets less current liabilities | | | <u>8,137,448</u> | | <u>8,119,489</u> |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 17 | <u>201,690</u> | | <u>268,726</u> | |
| | | | <u>(201,690)</u> | | <u>(268,726)</u> |
| Net assets | | | <u><u>7,935,758</u></u> | | <u><u>7,850,763</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 19 | | 285,000 | | 285,000 |
| Share premium account | | | 21,500 | | 21,500 |
| Profit and loss reserves | | | <u>7,629,258</u> | | <u>7,544,263</u> |
| Total equity | | | <u><u>7,935,758</u></u> | | <u><u>7,850,763</u></u> |

The notes on pages 13 to 25 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 21 September 2023 and are signed on its behalf by:

Mr T Langensiepen
Director

Mr S Riding
Director

Company Registration No. 00974737

FISCHBACH (UK) LIMITED

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

| | | Share capital | Share premium account | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------|--------------------------|-------------|
| | Notes | £ | £ | £ | £ |
| Balance at 1 January 2021 | | 285,000 | 21,500 | 6,926,784 | 7,233,284 |
| Year ended 31 December 2021: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 1,617,479 | 1,617,479 |
| Dividends | 11 | - | - | (1,000,000) | (1,000,000) |
| Balance at 31 December 2021 | | 285,000 | 21,500 | 7,544,263 | 7,850,763 |
| Year ended 31 December 2022: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 1,284,995 | 1,284,995 |
| Dividends | 11 | - | - | (1,200,000) | (1,200,000) |
| Balance at 31 December 2022 | | 285,000 | 21,500 | 7,629,258 | 7,935,758 |

The notes on pages 13 to 25 form part of these financial statements.

FISCHBACH (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | 2022 | | 2021 | |
|--|-------|--------------------|---|--------------------|---|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 26 | 2,473,343 | | 2,089,716 | |
| Interest paid | | (646) | | - | |
| Income taxes paid | | (322,915) | | (174,706) | |
| | | | | | |
| Net cash inflow from operating activities | | 2,149,782 | | 1,915,010 | |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (163,016) | | (891,934) | |
| Interest received | | 15,797 | | - | |
| | | | | | |
| Net cash used in investing activities | | (147,219) | | (891,934) | |
| Financing activities | | | | | |
| Dividends paid | | (1,200,000) | | (1,000,000) | |
| | | | | | |
| Net cash used in financing activities | | (1,200,000) | | (1,000,000) | |
| | | | | | |
| Net increase in cash and cash equivalents | | 802,563 | | 23,076 | |
| Cash and cash equivalents at beginning of year | | 946,620 | | 923,544 | |
| | | | | | |
| Cash and cash equivalents at end of year | | 1,749,183 | | 946,620 | |

The notes on pages 13 to 25 form part of these financial statements.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Fischbach (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Warrington Road, Manor Park, Runcorn, Cheshire, United Kingdom, WA7 1SN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-----------------------------|
| Freehold land and buildings | straight line over 50 years |
| Plant and equipment | over 6 years |
| Moulds | over 3 years |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock valuation

Stock valuation policy requires the use of estimation ascertaining how much of which overheads relate to stock production and how much to general overheads. It also involves the estimation of optimum production levels. Both of these then form part of the overhead absorption calculation in determining the final stock valuations.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2022 £ | 2021 £ |
|---|------------|------------|
| Turnover analysed by class of business | | |
| Sale of goods | 15,665,691 | 16,006,928 |

| | 2022 £ | 2021 £ |
|---|------------|------------|
| Turnover analysed by geographical market | | |
| United Kingdom | 15,318,246 | 15,660,617 |
| Other European Union | 345,555 | 346,311 |
| Rest of world | 1,890 | - |
| | 15,665,691 | 16,006,928 |

| | 2022 £ | 2021 £ |
|----------------------|-----------|-----------|
| Other revenue | | |
| Interest income | 15,797 | - |
| Grants received | - | 3,561 |

4 Auditor's remuneration

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 19,250 | 10,250 |
| For other services | | |
| Taxation compliance services | 1,750 | 1,175 |

5 Operating profit

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange losses | 71,399 | 71,213 |
| Government grants | - | (3,561) |
| Depreciation of owned tangible fixed assets | 669,323 | 697,172 |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration

| | 2022 £ | 2021 £ As restated |
|---|----------------|--------------------------|
| Remuneration for qualifying services | 103,300 | 120,000 |
| Company pension contributions to defined contribution schemes | 4,000 | 4,000 |
| | <u>107,300</u> | <u>124,000</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|--------------------------------|----------------|----------------|
| Production staff | 49 | 42 |
| Directors | 1 | 1 |
| Administrative and sales staff | 15 | 14 |
| Total | <u>65</u> | <u>57</u> |

Their aggregate remuneration comprised:

| | 2022 £ | 2021 £ As restated |
|-----------------------|------------------|--------------------------|
| Wages and salaries | 2,118,421 | 1,898,607 |
| Social security costs | 214,465 | 187,106 |
| Pension costs | 41,935 | 39,246 |
| | <u>2,374,821</u> | <u>2,124,959</u> |

The 2021 wages and salaries figure has been re-stated, as they were understated. This has no impact on the profit and loss account.

8 Interest receivable and similar income

| | 2022 £ | 2021 £ |
|---------------------------|---------------|-----------|
| Interest income | | |
| Interest on bank deposits | 15,797 | - |
| | <u>15,797</u> | <u>-</u> |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

(Continued)

8 Interest receivable and similar income

Investment income includes the following:

| | | |
|--|-------------------|-------------------|
| Interest on financial assets not measured at fair value through profit or loss | 15,797 | - |
| | <u> </u> | <u> </u> |

9 Interest payable and similar expenses

| 2022 | 2021 |
|------|------|
| £ | £ |

Interest on financial liabilities measured at amortised cost:

| | | |
|---|-------------------|-------------------|
| Other interest on financial liabilities | 646 | - |
| | <u> </u> | <u> </u> |

10 Taxation

| 2022 | 2021 |
|------|------|
| £ | £ |

Current tax

| | | |
|--|-------------------|-------------------|
| UK corporation tax on profits for the current period | 360,221 | 281,286 |
| | <u> </u> | <u> </u> |

Deferred tax

| | | |
|--|-------------------|-------------------|
| Origination and reversal of timing differences | (67,036) | 155,614 |
| | <u> </u> | <u> </u> |

| | | |
|------------------|-------------------|-------------------|
| Total tax charge | 293,185 | 436,900 |
| | <u> </u> | <u> </u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| 2022 | 2021 |
|------|------|
| £ | £ |

| | | |
|------------------------|-------------------|-------------------|
| Profit before taxation | 1,578,180 | 2,054,379 |
| | <u> </u> | <u> </u> |

Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)

| | |
|---------|---------|
| 299,854 | 390,332 |
|---------|---------|

| | | |
|--|-----|---|
| Tax effect of expenses that are not deductible in determining taxable profit | 151 | - |
|--|-----|---|

| | | |
|-----------------------------|-------|-------|
| Non qualifying depreciation | 8,575 | 8,576 |
|-----------------------------|-------|-------|

| | | |
|--|----------|--------|
| Deferred tax calculated at higher/(lower) rate | (13,979) | 64,494 |
|--|----------|--------|

| | | |
|--|---|-------|
| Deferred tax adjustment in respect of prior year | - | 6,284 |
|--|---|-------|

| | | |
|----------------------------------|---|---------|
| Expenses prior year now relieved | - | (1,730) |
|----------------------------------|---|---------|

| | | |
|-----------------------------|-------------------|-------------------|
| Enhanced capital allowances | (1,416) | (31,056) |
| | <u> </u> | <u> </u> |

| | | |
|------------------------------|-------------------|-------------------|
| Taxation charge for the year | 293,185 | 436,900 |
| | <u> </u> | <u> </u> |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Dividends

| | 2022 £ | 2021 £ |
|--------------|-----------|-----------|
| Interim paid | 1,200,000 | 1,000,000 |

12 Tangible fixed assets

| | Freehold land and buildings £ | Plant and equipment £ | Moulds £ | Total £ |
|------------------------------------|-------------------------------------|-----------------------------|-------------|------------|
| Cost | | | | |
| At 1 January 2022 | 2,362,733 | 8,766,476 | 3,710,164 | 14,839,373 |
| Additions | 13,825 | 149,191 | - | 163,016 |
| At 31 December 2022 | 2,376,558 | 8,915,667 | 3,710,164 | 15,002,389 |
| Depreciation and impairment | | | | |
| At 1 January 2022 | 784,124 | 6,851,519 | 3,608,980 | 11,244,623 |
| Depreciation charged in the year | 45,267 | 547,534 | 76,522 | 669,323 |
| At 31 December 2022 | 829,391 | 7,399,053 | 3,685,502 | 11,913,946 |
| Carrying amount | | | | |
| At 31 December 2022 | 1,547,167 | 1,516,614 | 24,662 | 3,088,443 |
| At 31 December 2021 | 1,578,609 | 1,914,957 | 101,184 | 3,594,750 |

Included in freehold land and buildings is £246,548 (2021 : £246,548) in relation to land which is not depreciated.

13 Stocks

| | 2022 £ | 2021 £ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables | 481,469 | 568,459 |
| Finished goods and goods for resale | 342,931 | 389,879 |
| | 824,400 | 958,338 |

14 Financial instruments

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 5,046,646 | 4,503,120 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 843,212 | 889,208 |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Financial instruments

(Continued)

Financial assets measured at amortised cost consists of trade debtors, amounts due from fellow group undertakings, and cash at bank.

Financial liabilities measured at amortised cost consists of trade creditors, amounts due to group undertakings, other taxation and social security and accruals.

15 Debtors

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 3,297,463 | 3,554,415 |
| Amounts owed by group undertakings | - | 2,085 |
| Prepayments and accrued income | 187,139 | 85,637 |
| | <u>3,484,602</u> | <u>3,642,137</u> |

16 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 166,645 | 86,296 |
| Amounts owed to group undertakings | 24,381 | 99,435 |
| Corporation tax | 170,454 | 133,148 |
| Other taxation and social security | 288,000 | 364,211 |
| Accruals and deferred income | 359,700 | 339,266 |
| | <u>1,009,180</u> | <u>1,022,356</u> |

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2022 | Liabilities 2021 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | <u>201,690</u> | <u>268,726</u> |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Deferred taxation (Continued)

| | 2022 £ |
|-------------------------------|----------------|
| Movements in the year: | |
| Liability at 1 January 2022 | 268,726 |
| Credit to profit or loss | (67,036) |
| Liability at 31 December 2022 | <u>201,690</u> |

18 Retirement benefit schemes

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>41,935</u> | <u>39,246</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The liability at the year end in respect of defined contribution schemes was £11,109 (2021 - £10,440).

19 Share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|---|----------------|----------------|----------------|----------------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary of £1 each | <u>285,000</u> | <u>285,000</u> | <u>285,000</u> | <u>285,000</u> |

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 £ | 2021 £ |
|----------------------------|---------------|---------------|
| Within one year | 26,142 | 17,849 |
| Between two and five years | <u>43,278</u> | <u>41,777</u> |
| | <u>69,420</u> | <u>59,626</u> |

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|---------------|
| Acquisition of tangible fixed assets | <u>-</u> | <u>36,842</u> |

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2022 £ | 2021 £ As restated |
|------------------------|-----------|--------------------------|
| Aggregate compensation | 424,338 | 311,084 |

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Sales 2022 £ | Sales 2021 £ | Purchases 2022 £ | Purchases 2021 £ |
|-----------------------|--------------------|--------------------|------------------------|------------------------|
| Fischbach KG | 75,843 | 91,700 | 702,960 | 1,838,662 |
| Fischbach Belgium | 133,700 | 127,475 | - | 79,559 |
| Other related parties | 33,585 | 18,840 | - | - |

The following amounts were outstanding at the reporting end date:

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Amounts due to related parties | | |
| Fischbach KG | 24,381 | 99,435 |

The following amounts were outstanding at the reporting end date:

| | 2022 £ | 2021 £ |
|----------------------------------|-----------|-----------|
| Amounts due from related parties | | |
| Fischbach Belgium | - | 2,085 |

23 Events after the reporting date

At the Annual General Meeting held on 19 April 2023 it was agreed that a dividend for the 2022 year of £1,500,000 would be paid by 30 April 2023.

24 Ultimate controlling party

The company's immediate parent undertaking at the balance sheet date was Fischbach Beteiligungsgesellschaft GmbH, a company incorporated in Germany. The Ultimate holding company of the group is Fischbach KG, a company incorporated in Germany.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Analysis of changes in net funds

| | 1 January 2022 | Cash flows | 31 December 2022 |
|--------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 946,620 | 802,563 | 1,749,183 |
| | <u> </u> | <u> </u> | <u> </u> |

26 Cash generated from operations

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Profit for the year after tax | 1,284,995 | 1,617,479 |
| Adjustments for: | | |
| Taxation charged | 293,185 | 436,900 |
| Finance costs | 646 | - |
| Investment income | (15,797) | - |
| Depreciation and impairment of tangible fixed assets | 669,323 | 697,172 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 133,938 | (354,242) |
| Decrease in debtors | 157,535 | 113,359 |
| Decrease in creditors | (50,482) | (420,952) |
| Cash generated from operations | <u>2,473,343</u> | <u>2,089,716</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.