

**Andreas Stihl Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2022**  
**Company Number: 01376302**

**ANDREAS STIHL LIMITED**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ANDREAS STIHL LIMITED**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their Strategic Report on the Company and the audited financial statements for the year ended 31 December 2022.

Principal Activities

The Company's principal activities are the marketing and sale of chainsaws, power tools, cleaning systems and garden machinery in the United Kingdom together with allied accessories, forestry equipment, safety clothing and spare parts.

Review of the business

The Company is a wholly owned subsidiary of Stihl International GmbH ("Stihl"), and as such is the sales and marketing Company for the STIHL Group in Great Britain.

The headline numbers for the year were as follows:

	2022	2021	Change
	£'000s	£'000s	%
Turnover	133,518	132,572	0.7
Gross profit	26,703	29,403	(9.2)
Profit before tax	7,438	9,891	(24.8)
Profit after tax	5,829	7,946	(26.6)
Net assets	34,287	33,458	2.5

Gross margin has decreased to 20.0% (2021: 22.2%), due in part to increased freight costs caused by the impact of the Covid-19 pandemic on global supply chains. This also contributed to lower profit before tax and profit after tax in 2022 compared to 2021.

A dividend of £Nil has been proposed since the year end for the year ended 31 December 2022 (2021: £5,000,000). The aggregate dividends on the ordinary shares recognised as an expense and paid during the year amount to £5,000,000 (2021: £10,000,000).

Construction of a new Headquarters and Warehouse building is underway, and the work is expected to be completed during 2023. The new building will substantially increase the warehouse capacity of the Company and improved automation will lead to efficiency improvements. The site has planning permission for a second phase of expansion, allowing The company to operate from the site for the foreseeable future.

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Key Performance Indicators

Locally, progress is monitored via growth in Sales compared to the prior year. Performance is shown below with prior year comparatives expressed as %.

	2022	2021
Growth in Sales	+0.7 %	+6.1%

Principal risks and uncertainties

There has been ongoing disruption to global supply chains and changes in demand patterns. Suppliers and logistics partners have struggled to meet the demand experienced in the market. There is a risk that the business will not be able to meet its objectives if there is significant disruption to the supply chain. The supply chain has been protected as much as possible by a continued focus on the forecasting of sales and the associated stock requirements, coupled with regular communication with Group supply chain management.

Competitive risks

Changes in the product line up present a risk to the business as we move from a historic product range based on petrol engines towards a product range based on battery machines. The future will see increased competition from new entrants to the market. The Directors believe that the Group's investment in new technology and high-quality products will ensure the long-term success of the business.

The Directors of the Group manage the Groups risk at a Group level, rather than an individual business unit level. Group is defined as the main Head Office. For this reason, the Company's Directors believe that further discussion of the Company's risks, over areas such as cyber risks, IT failure and product liability would not be appropriate for an understanding of the development, performance, or position of the business.

Corporate Governance and s172 reporting

The board of directors of Andreas Stihl Limited consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2022.

This statement sets out how the Directors comply with the requirements of section 172.

The likely consequences of any decisions in the long term:

The board's primary responsibility is to promote the long-term success of the Company by delivering shareholder value as well as contributing to wider society.

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As Stihl is a privately owned Company, the local Directors are responsible to the Group Board and Stihl Family.

The local board is responsible for the day-to-day management of the Company's affairs. Key decisions are reserved for Group approval. This includes the determination of Group strategy and long-term direction, approval of budgets, key organisational changes and changes in key policies.

The interests of the company's employees:

The skills, commitment and loyalty of employees is fundamental to the success of the business. The Stihl Group corporate culture is the foundation of our relationship with our employees and is the core of our employee orientated management culture.

This corporate culture is extremely important, and all employees are expected to embody it with respect to their own behaviours within the Company.

The health and safety of employees is a key priority and the directors review the performance in this area at regularly scheduled meetings. There are a number of forums for the discussion of, and action on, health and safety, which include staff from all levels and all areas of the business.

The Company regularly communicates with employees through "Team Huddles", involving both administrative and warehouse staff. These are an opportunity for the Company to inform and update staff on the aims and objectives of the Company, business performance, plans and future outlook and also provides employees with opportunities to ask questions or seek clarification on the Company's purpose, goals and direction.

The need to foster the company's business relationships with suppliers, customers and others:

The Company has long-term relationships with many of our customers. These relationships are based on mutual trust and respect, allowing them to last for many years. These relationships are nurtured through a high level of support provided by the Company to our customers, including development of their businesses, both through Training and Development of their staff and by cooperating on investment to enhance their premises.

The Company has long established relationships with many of our suppliers, these relationships are nurtured over many years. These relationships contribute to the continued growth and success of the Company.

The Company is compliant with all relevant aspects of local laws and regulations and puts ethical operations and practices into place.

The Company has good relationships with the wider community and supports charities both locally as well as nationally.

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The impact of the company's operations on the community and the environment:

Stihl is committed to having a positive impact on the community around us. We have continued our support of various charities, including the Greenfingers Charity and the Surrey Wildlife Trust.

In line with the Group aims of developing young people, we offer apprenticeships in our business to develop young people to be our future experts.

During the year we continued work on our new building and as part of this have committed to a biodiversity offset which will see us funding significant environmental enhancements in the local area. Additionally, we will be installing a large area of solar panels on the roof of our new building, allowing us to generate significant quantities of the electricity that we will use in running the building.

All our new Company cars are now required to be PHEV (plug-in hybrid electric vehicle) or BEV (battery electric vehicles) vehicles and we no longer allow pure ICE (internal combustion engine) cars. As battery technology improves we will apply this policy to our LCV (light commercial vehicles) as well as the cars.

The SECR (streamlined energy and carbon reporting) on pages 8 - 12 gives further details on our energy consumption and improvements that we are making.


The reputation for a high standard of business conduct:

The Board maintains high standards of conduct and considers the reputation of the Company seriously and regularly reviews how the Company maintains positive relationships with stakeholders, including staff, Group suppliers, other third party suppliers and our dealers.

The need to act fairly between members of the company:

The success of the Company relies on key inputs and positive relationships with a wide range of stakeholders. The Board seeks to achieve this by setting out its strategy, monitoring performance against the Group's objectives and reviewing implementation of strategy.

On behalf of the board



Nicholas Burroughs

**Director**

22 August 2023

**Company Number: 01376302**

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Future developments

The directors are satisfied with the performance of the Company and have reviewed the prospects for the future with the impact of economic uncertainty, rising inflation, and interest rates in mind. There is likely to be an impact on our sales from disruption to production and supply chain.

The start of 2023 has seen subdued demand due to weather and the above effect, coupled with supply issues for products coming from the Group manufacturing plants around the world. We are working with Group to obtain stock as quickly as possible, and are continuing our communication to our Dealers to keep them informed of the situation.

The Company continues with the ongoing construction of its new warehouse and office building, it is expected that the construction will be completed in 2023.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in exchange risk, price risk, and credit risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Exchange risk

Responsibility of monitoring exchange rate risk is carried out by the parent Company, Stihl Holding AG & Co.KG. This Company has procedures and policies in place for managing this risk through the use of hedging foreign currency risk over a period of months, and by arranging forward contracts on behalf of the company.

Price risk

The Company is exposed to commodity price risk as a result of its operations. The costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

Financial instruments which potentially expose the Company to a concentration of credit risk consist primarily of cash equivalents and trade debtors. Cash equivalents are deposited with high-credit quality financial institutions. The Company provides credit to customers in the normal course of business.

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Collateral is not required for these receivables, but ongoing credit evaluations of customers' financial conditions are performed.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual creditor is subject to a limit, which is assessed regularly by management.

Stakeholder engagement

As described in the Strategic Report, the Directors are focussed on maintaining and growing long term relationships with Customers, Suppliers and other stakeholders. The day to day management of the Company is grounded in the Group ethos, established nearly 100 years ago when the Company was founded by the Grandfather of the current Advisory Board Chairman. This is a family Company with a family approach to how we do business.

Streamlined Energy and Carbon Report

Background

This Streamlined Energy and Carbon Report has been produced in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which requires organisations to report their energy use and associated greenhouse gas emissions in their annual reports.

Reporting period and Base Year

The reporting period is our financial year 01/01/2022 to 31/12/2022. This is the third year that the Company is in scope of the Regulations. Our base year is 2020. It is recognised that both 2020 and 2021 may not be a typical year for energy use and emissions due to the impact of the Covid-19 pandemic.

Scope

We have used the financial control approach to determine our operational boundary. As such the scope of reporting is:

- Energy & emissions related to buildings:
  - Scope 1, direct emissions – natural gas, fugitive emissions
  - Scope 2, indirect emissions – purchased electricity
- Business travel in Company owned/leased vehicles, where the Company pays for the fuel (Scope 1)
- Business travel in employee's vehicles, where the Company reimburses the fuel (Scope 3)
- Other business travel emissions, including from flights, etc. (Scope 3)

Our main premises, STIHL House is included in the organisational boundary and therefore this report. Leased warehouse space in another location has been excluded from scope as we have no financial or



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operational control related to energy or waste at that location, and only lease only a small proportion of the total warehouse.

There have been no significant changes to the scope of operations since the base year.

Approach and calculation methodology

We are committed to developing an accurate and transparent environmental footprint and related disclosures and reports, which will support our environmental sustainability programme and impact reduction measures. We have followed the same approach as in previous years, working closely with footprinting specialist Consciam Limited. We have calculated our emissions using an industry standard approach (based on the Greenhouse Gas Protocol) and the relevant emission factors for 2022 provided by the UK Government (the Department for Environment, Food and Rural Affairs, Defra, and the Department for Business, Energy and Industrial Strategy, BEIS). The approach taken in developing this report is in accordance with HM Government's *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, March 2019*.

Specific notes to the development of the footprint:

- Gas and electricity consumption data was collated and verified back to invoices/supplier data where possible.
- Scope 1 business travel data is based on a combination of litres recorded via fuel card records, and estimated mileage figures where fuel card data was not available.
- Electricity consumption by electric and plug-in hybrid vehicles has not been included in the emissions or consumption data as it was not possible to identify whether these vehicles have been charged on site or elsewhere. Use of the onsite EV charging units would be included in the Scope 2 purchased electricity data.
- Emissions related to onsite forklift trucks are included under our Scope 2 purchased electricity emissions as they are all electric and charged onsite.
- No data for 2022 was available for rail, taxis or hotels but this was not expected to be material. The process has been documented in a method statement for future reference and enhancement.

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Results

<b>Aspect</b>	<b>Emissions FY 2020 (tCO<sub>2</sub>e) (Base year)</b>	<b>Emissions FY 2021 (tCO<sub>2</sub>e)</b>	<b>Emissions FY 2022 (tCO<sub>2</sub>e)</b>
<i>Direct emissions (Scope 1)</i>			
• Natural gas	77.81	117.03	73.42
• Fuel for Company vehicles	137.34	91.71	62.61
• Fugitive emissions	0	0	7.31
<b>Total Scope 1 emissions</b>	<b>215.15</b>	<b>208.74</b>	<b>143.34</b>
<i>Indirect emissions (Scope 2) - Location based method</i>			
• Purchased electricity - STIHL House	123.03	126.72	106.89
<b>Total Scope 2 emissions</b>	<b>123.03</b>	<b>126.72</b>	<b>106.89</b>
<b>Total Scope 1 &amp; 2 emissions</b>	<b>338.17</b>	<b>335.46</b>	<b>250.23</b>
<i>Other indirect emissions (Scope 3)</i>			
• Business travel in employee-owned vehicles	0.93	9.94	2.31
• Other business travel (flights)	3.55	3.43	14.12
• Transmission and other losses (gas, electricity and vehicles)	30.82	31.24	61.55
• Water and wastewater	0.74	0.63	0.38
• Waste	2.99	2.62	1.42
<b>Total Scope 3 emissions</b>	<b>39.42</b>	<b>47.86</b>	<b>79.39</b>
<b>Total emissions</b>	<b>377.73</b>	<b>383.32</b>	<b>329.63</b>
Intensity metric: Tonnes Gross CO <sub>2</sub> e emissions per employee	<b>3.10</b>	<b>3.30</b>	<b>2.82</b>

<b>Energy use</b>	<b>kWh 2020 (Base year)</b>	<b>kWh 2021</b>	<b>kWh 2022</b>
• Electricity	527,694	596,795	552,775
• Gas	423,171	638,975	402,227
• Travel (Owned/leased vehicles plus grey fleet)	557,812	429,304	256,452
<b>Total energy consumption</b>	<b>1,508,677 kWh</b>	<b>1,665,074 kWh</b>	<b>1,211,454 kWh</b>

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Energy efficiency measures

We have continued our proactive approach to energy efficiency in 2022. Each department has been encouraged to consider and reduce electricity use in their offices and warehouse areas, for example by turning off electrical appliances not being used during and at the end of the day. The LED lighting replacement programme has continued throughout 2022 and approximately 35% of light fixtures on site have been replaced with LED lights. Manual light overrides were fitted to some offices after sensors were turning lights on during out of office hour times. These activities have contributed to a 7.4% reduction in purchased electricity consumption compared to 2021.

In 2022 we improved the efficiency of our aircon/heating system by inviting an engineer on site to discuss optimal settings and providing further knowledge and training for our system. Gas consumption has been reduced by 37% compared to 2021.

In 2021 we established a policy that required all new lease vehicles to be either electric vehicles or hybrids. In 2022 electric or hybrid vehicles accounted for 53% our fleet.

Our Learning and Development department continue to utilise a purpose-built studio on site to film and deliver online training. The benefits have been two-fold; reduced vehicle mileage for avoided trips and allowing the Company to reach more dealers who would otherwise be travelling to training courses.

The "Cycle to Work Scheme" continues to be available to staff, with five participants in 2022 (2021: six).

We have continued to work closely with internal teams and our waste contractors to both minimise waste and have continued our commitment to divert the remaining from landfill.

The maintenance team have continued to use only acrylic and water based paints instead of solvent paints. This has now been adopted as policy to continue with future maintenance requirements.

A challenge was set in 2021 to reduce paper consumption within offices. Where possible the Company opts to record digitally and when printing is required for use on site, the paper is reused printing on the reverse. These actions resulted in a further 15% decrease in paper use compared to 2021.

Our parent Company, STIHL Group has set a carbon neutrality target for scopes 1 and 2 to be achieved by 2023-2028. The Company recognises that day-to-day operations can impact both directly and indirectly on the environment. The Company welcomes the carbon neutral challenge and are fully committed to aiding the global effort in reducing Greenhouse gases and carbon emissions. Actions implemented and further planned to meet the objectives will continue to evolve in order to achieve the carbon neutral target.

The Company will continue to closely monitor energy consumption and waste and look for efficiency opportunities. Projects and initiatives already under way or being considered for 2023 include:

- Developing local environmental objectives and targets.
- Options to stop printing delivery notes and email these to customers instead.
- Further reducing warehouse plastic packaging and packing (to be replaced with paper and card).

- Reducing the quantity of 2023 catalogues ordered by 41% compared to 2022, as part of a move to moving to online only catalogues from 2024.
- Two thirds of new warehouse roof will be covered by photovoltaic panels.
- Continuation of LED lighting project at STIHL House.
- Using an app for journeys to configure economical routing and grouping multiple clients by area.
- Driving sales for battery products by delivering training on benefits of environmental impact.
- Explore paperless training manuals.
- Explore ways to further reduce on-site paper consumption. Identify areas in the business using highest quantities and consider alternate work processes.

The move to the new site has been delayed, but we expect to move in 2023. The local council stipulated that one third of the roof space must be covered by photovoltaic panels, but we decided to go above and beyond the required area with two thirds to be covered. A Biodiversity strategy to off-set the land clearance for our building was carried out. As a result, three sites were chosen to plant more trees than we removed.

The Company has not been subject to any environmental fines or penalties in the disclosure period (the last five years).

#### Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In early 2022, the Company engaged a contractor for the construction of a new office building and warehouse facilities, for which costs have been capitalised amounting to £18.6m as at 31 December 2022 (2021: £2.7m). The Company is committed to further capital expenditure of circa £18.2m in the coming year to finalise construction of the new office and warehouse. The Company's parent has provided intercompany loan funding which will be repaid through proceeds from the sale of the existing office/warehouse buildings and cash generated from operations.

The Directors have prepared financial forecasts for the foreseeable future which include the intercompany loan, and combined with the Company's own liquidity, these indicate that the Company will have sufficient funds to meet its liabilities as they are due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Directors consider that it is appropriate for the financial statements to be prepared on a going concern basis. However, this intercompany loan funding is repayable at the demand of the parent, hence is classified within "Creditors: amounts falling due within one year" in the Balance Sheet. In the event that the parent recalled this loan on demand, the Company would be unable to meet its liabilities as they fall due. The Directors believe that these conditions indicate the existence of a material uncertainty which may cast significant doubt around the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors

The directors of the Company at 31 December 2022, and who held office throughout the year, and up to the date of signing the financial statements, were:

Kay Green  
Martin Walter  
Nicholas Burroughs  
Norbert Pick (resigned 1 December 2022)  
Sarah Gewert (appointed 1 December 2022)

Qualifying Indemnity Provision

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Statement of Directors' Responsibilities in Respect of the Financial Statements

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 102 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 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 also 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.

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The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Dividends

Details of dividends are given in the Strategic Report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



Nicholas Burroughs

**Director**

22 August 2023

**Company Number: 01376302**

**Report on the audit of the financial statements**

Opinion

In our opinion, Andreas Stihl Limited's 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 (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Balance Sheet as at 31 December 2022; the Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. In early 2022, the Company engaged a contractor for the construction of a new office building and warehouse facilities, for which costs have been capitalised amounting to £18.6m as at 31 December 2022. The Company is committed to further capital expenditure of circa £18.2m in the coming year to finalise construction of the new office and warehouse. The Company's parent has provided an intercompany loan funding which will be repaid through proceeds from the sale of the existing office/warehouse buildings and cash generated from operations. The loan is repayable on demand. In the event that the loan is recalled, the company would be unable to meet its liabilities as they fall due during the going concern period. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

#### 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 Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 Directors' report for the year ended 31 December 2022 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 in Respect of the Financial Statements, 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.

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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting, including fraud in revenue recognition, and misappropriation of assets. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations
- Review of minutes of meetings with the Board of Directors
- Identifying and testing of journal entries, in particular any journal entries posted with unusual account combinations impacting revenue, expenses and cash
- Challenging assumptions made by management in their accounting estimates, including those in relation to the valuation of assets under construction

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://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 obtained 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.



Tim Rogers (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

22-08-2023

**ANDREAS STIHL LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**for the year ended 31 December 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	4	133,518,296	132,572,325
Cost of sales		(106,815,001)	(103,169,108)
<b>Gross Profit</b>		<b>26,703,295</b>	<b>29,403,217</b>
Distribution costs		(10,039,053)	(9,762,305)
Administrative expenses		(9,437,096)	(9,879,233)
Other operating income		299,127	130,700
<b>Operating profit</b>	5	<b>7,526,273</b>	<b>9,892,379</b>
Interest payable and similar expenses	7	(88,464)	(1,678)
<b>Profit before taxation</b>		<b>7,437,809</b>	<b>9,890,701</b>
Tax on profit	8	(1,608,864)	(1,944,391)
<b>Profit for the financial year</b>		<b>5,828,945</b>	<b>7,946,310</b>
Retained earnings at 1 January		27,457,808	29,511,498
Dividend paid	9	(5,000,000)	(10,000,000)
<b>Retained earnings at 31 December</b>		<b>28,286,753</b>	<b>27,457,808</b>

**ANDREAS STIHL LIMITED**

**BALANCE SHEET**  
**as at 31 December 2022**

	Note	2022 £	2021 £
Tangible assets	10	30,565,043	14,979,879
		<b>30,565,043</b>	<b>14,979,879</b>
<b>Current assets</b>			
Stocks	11	21,630,877	18,803,480
Debtors	12	18,215,766	17,148,687
Cash at bank and in hand		9,511,389	9,487,081
		<b>49,358,032</b>	<b>45,439,248</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(41,530,725)</b>	<b>(23,476,691)</b>
<b>Net current assets</b>		<b>7,827,307</b>	<b>21,962,557</b>
<b>Total assets less current liabilities</b>		<b>38,392,350</b>	<b>36,942,436</b>
<b>Provisions for other liabilities</b>	14	<b>(4,105,597)</b>	<b>(3,484,628)</b>
<b>Net assets</b>		<b>34,286,753</b>	<b>33,457,808</b>
<b>Capital and reserves</b>			
Called up share capital	15	6,000,000	6,000,000
Retained earnings		28,286,753	27,457,808
<b>Total equity</b>		<b>34,286,753</b>	<b>33,457,808</b>

The notes on pages 21 to 32 are an integral part of these financial statements.

The financial statements on pages 19 to 32 were approved by the board of directors on 22 August 2023 and were signed on its behalf by:-



Nicholas Burroughs

**Director**

**Andreas Stihl Limited**

**Registered Number: 01376302**

## ANDREAS STIHL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. General Information

Andreas Stihl Limited is a private Company limited by shares and is incorporated in the United Kingdom and registered in England, registration number 01376302. The registered office is at Stihl House, Stanhope Road, Camberley, Surrey, GU15 3YT.

The Company's principal activities are the marketing and sale of chainsaws, power tools, cleaning systems and garden machinery in the United Kingdom together with allied accessories, forestry equipment, safety clothing and spare parts.

#### 2. Statement of compliance

The financial statements of Andreas Stihl Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

#### 3. Summary of significant accounting policies

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

##### (a) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention. The presentation currency is in £ sterling.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d)
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c) and 12.26
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 and 33.1A

##### (b) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In early 2022, the Company engaged a contractor for the construction of a new office building and warehouse facilities, for which costs have been capitalised amounting to £18.6m as at 31 December 2022 (2021: £2.7m). The Company is committed to further capital expenditure of circa £18.2m in the coming

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

year to finalise construction of the new office and warehouse. The Company's parent has provided intercompany loan funding which will be repaid through proceeds from the sale of the existing office/warehouse buildings and cash generated from operations.

The Directors have prepared financial forecasts for the foreseeable future which include the intercompany loan, and combined with the Company's own liquidity, these indicate that the Company will have sufficient funds to meet its liabilities as they are due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Directors consider that it is appropriate for the financial statements to be prepared on a going concern basis. However, this intercompany loan funding is repayable at the demand of the parent, hence is classified within "Creditors: amounts falling due within one year" in the Balance Sheet. In the event that the parent recalled this loan on demand, the Company would be unable to meet its liabilities as they fall due. The Directors believe that these conditions indicate the existence of a material uncertainty which may cast significant doubt around the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

(c) Turnover

Turnover represents the price of goods less discount delivered to customers during the year and excludes value added tax. Turnover is recognised at the date of dispatch with an adjustment made to defer revenue for sales not delivered in the year, if required.

(d) Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. The cost of tangible assets is their purchase cost together with any incidental costs of acquisition. Depreciation is not provided on freehold land or assets under construction. On other assets, depreciation is provided so as to write off the cost less the estimated residual value by equal annual instalments based on the estimated useful lives of the assets (straight line basis), at the following rates:

	%
Freehold buildings	2
Freehold improvements	10
Furniture and fittings	12.5 - 25
Motor vehicles	20 - 25

(e) Stocks

Stocks are valued at the lower of cost and selling price less costs to complete and sell. Cost represents the lower of the latest purchase price and the weighted average purchase price and includes freight and duty into the United Kingdom, and all other costs incurred in bringing the inventories to their present location and condition. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(f) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains or losses are included in the statement of comprehensive income within cost of sales and administrative expenses, in the period in which they arise.

(g) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Costs in respect of operating leases are charged to the statement of comprehensive income within administrative expenses, on a straight-line basis over the lease term.

(h) Taxation

UK Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets and liabilities recognised have not been discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(i) Pensions

The Company operates a defined contribution scheme. The cost of providing retirement pensions and related benefits is charged to the statement of comprehensive income as incurred within administrative expenses. Amounts not paid are shown in accruals in the balance sheet. The assets of the scheme are held separately from those of the Company in independently administered funds.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks. Bank overdrafts, when applicable, are shown in Creditors: amounts falling due within one year.

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(k) Share capital

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

(l) Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period to which the dividends and other distributions are approved by the Company's shareholders.

(m) Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and cash equivalents are initially recorded at transaction price and are subsequently carried at amortised cost using the effective rate of interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discontinued at the assets original effective interest rate. The impairment loss is recognised in profit or loss within administrative expenses.

Basic financial liabilities, including trade and other creditors, amounts owed to Group undertakings and loans from fellow Group companies are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or expires.

(n) Asset Under Construction

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use and are reviewed for impairment at each reporting date.

(o) Debtors

Trade debtors are measured at transaction price, less any impairment losses.

(p) Creditors

Trade creditors are measured at transaction price.



**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

(r) Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant effects on amounts recognised in the financial statements, and are therefore considered by management to be significant estimates. Management do not consider there to be any significant accounting judgments taken in the financial year.

(i) Valuation of assets under construction

Assets under construction relate solely to costs capitalised in respect of the new premises. Given the fixed price nature of this contract for the build, this requires management to make an estimate of the total costs incurred to date on the construction, which they perform on a monthly basis with the assistance of independent valuation experts and quantity surveyors. The costs incurred each month, as agreed between the construction firm, management and their respective advisors, are then invoiced and capitalised as assets under construction on a monthly basis, which will continue until the build is complete.

4. Turnover

Turnover relates to one class of business, that of the sale of chainsaws, power tools, cleaning systems and garden machinery together with their allied spares and accessories within Great Britain.

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. Operating profit

Operating profit is stated after charging / (crediting):

	2022	2021
	£	£
<b>Staff costs</b>		
Wages and salaries	5,806,262	5,845,377
Social security costs	758,835	647,149
Other pension costs (note 16)	582,132	566,736
<b>Total staff costs</b>	<b>7,147,229</b>	<b>7,059,262</b>
Other personnel costs	382,535	386,836
Depreciation (note 10)	587,709	595,444
Amortisation	-	806
Services provided by the Company's auditors:		
- Fees payable for the audit of the Company's financial statements	93,421	62,595
- Services relating to taxation	7,980	10,600
- Advisory	10,885	6,013
Loss / (Gain) on foreign currency exchange	190,290	(491,034)
Hire of plant and machinery - operating leases	341,150	314,897
Loss / (Gain) on sale of tangible fixed assets	7,500	(13,670)
Impairment of trade debtors	321,498	18,983
Impairment/(reversal of impairment) of inventory	497,683	(171,860)
Inventory recognised as an expense	106,317,318	103,340,969

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

6. Directors and employees

The average monthly number of employees, including executive directors, employed by the Company during the year was:

	2022	2021
	Number	Number
Selling and Distribution	87	87
Administration	29	32
<b>Total</b>	<b>116</b>	<b>119</b>

	2022	2021
	£	£
<b>Directors' emoluments</b>		
Aggregate emoluments	465,959	450,057
Highest paid director	269,986	227,116
Company pension contributions to money purchase schemes	63,542	52,625
Highest paid director pension contribution	35,700	25,500

During the year, retirement benefits were accruing to two directors (2021: two) under the Company's money purchase pension scheme. There are no additional key management who are not directors of the Company (2021: none).

Remuneration in respect of services provided by N Pick, S Gewert and M Walter is borne by Stihl Holding AG & Co. KG. Their services to the Company are of a non-executive nature, and their remuneration is deemed to be wholly attributable to services to the parent Company. Therefore, the remuneration of these directors is not apportioned to Andreas Stihl Limited, no recharge is made to the Company, and therefore the amounts disclosed relate to the highest paid director of Andreas Stihl Limited.

7. Interest payable and similar expenses

	2022	2021
	£	£
Interest payable on overdrafts	108	742
Interest payable on Intercompany loans	88,356	936
	<b>88,464</b>	<b>1,678</b>

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

8. Tax on profit

(a) Tax expense included in profit or loss

	2022	2021
	£	£
<b>Current Tax:</b>		
United Kingdom corporation tax on profit for the year	1,297,356	1,897,945
Adjustments in respect of prior years	(452)	(1)
<b>Total current tax</b>	<b>1,296,904</b>	<b>1,897,944</b>
<b>Deferred Tax</b>		
Deferred tax - Origination and reversal of timing difference	226,423	78,195
Effects of changes in tax rates	71,502	(31,661)
Adjustment in respect of prior years	14,036	(87)
<b>Total deferred tax</b>	<b>308,339</b>	<b>46,447</b>
<b>Total tax expense included in profit or loss</b>	<b>1,608,864</b>	<b>1,944,391</b>

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19.0% (2021: 19.0%). The differences are explained below:

	2022	2021
	£	£
<b>Profit before tax</b>	<b>7,437,809</b>	<b>9,890,701</b>
Profit multiplied by the standard rate of tax in the UK of 19.0% (2021: 19.0%)	1,413,184	1,879,233
Effects of:		
Expenses not deductible for tax purposes	110,594	96,789
Adjustments in respect of prior years	13,584	(88)
Tax rate changes	71,502	(31,543)
<b>Total tax charge for the year</b>	<b>1,608,864</b>	<b>1,944,391</b>

Tax rate changes

In the Budget 2020, the government announced that the corporation tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(b) Analysis of movement in deferred tax

	2022	2021
	£	£
Opening balance	131,920	178,367
Adjustment in respect of prior years	10,414	(87)
Charged to Profit and loss account	297,924	46,534
<b>Closing balance</b>	<b>(176,418)</b>	<b>131,920</b>

9. Dividend paid

	2022	2021
	£	£
Final paid in 2022: 83.33p per £1 ordinary share (2021: 166.67p per £1 ordinary share )	5,000,000	10,000,000
	<b>5,000,000</b>	<b>10,000,000</b>

10. Tangible assets

<b>Tangible fixed assets</b>	<b>Freehold land and buildings</b>	<b>Assets under construction</b>	<b>Freehold improvements</b>	<b>Furniture and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Cost</b>						
1 January 2022	13,864,410	2,724,518	4,109,047	2,068,834	672,321	23,439,130
Additions	-	15,906,067	-	279,306	-	16,185,373
Disposals	-	-	-	48,378	32,917	81,295
<b>31 December 2022</b>	<b>13,864,410</b>	<b>18,630,585</b>	<b>4,109,047</b>	<b>2,299,762</b>	<b>639,404</b>	<b>39,543,208</b>
<b>Accumulated depreciation</b>						
1 January 2022	2,767,500	-	3,445,074	1,646,470	600,207	8,459,251
Charge for year	90,000	-	267,576	200,487	29,646	587,709
Disposals	-	-	-	35,878	32,917	68,795
<b>31 December 2022</b>	<b>2,857,500</b>	<b>-</b>	<b>3,712,650</b>	<b>1,811,079</b>	<b>596,936</b>	<b>8,978,165</b>
<b>Net book amount</b>						
<b>At 31 December 2022</b>	<b>11,006,910</b>	<b>18,630,585</b>	<b>396,397</b>	<b>488,683</b>	<b>42,468</b>	<b>30,565,043</b>
At 31 December 2021	11,096,910	2,724,518	663,973	422,364	72,114	14,979,879

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

11. Stocks

	2022	2021
	£	£
Finished goods and goods for resale	<b>21,630,877</b>	<b>18,803,480</b>

Inventories are stated after provisions for impairment of £1,485,668 (2021: £796,766)

12. Debtors

	2022	2021
	£	£
Trade debtors	17,308,524	15,877,776
Deferred tax (note 8)	-	131,920
Other debtors	268,237	7,711
Prepayments and accrued income	639,005	1,131,280
	<b>18,215,766</b>	<b>17,148,687</b>

Trade debtors are stated after provisions for impairment of £541,263 (2021: £350,593)

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,066,319	1,250,036
Amounts owed to Group undertakings	36,222,087	17,911,378
Corporation tax	700,526	851,116
Other taxation and social security	537,631	2,544,988
Other creditors	343,223	351,004
Accruals and deferred income	2,660,939	568,169
	<b>41,530,725</b>	<b>23,476,691</b>

Included within the amounts owed to Group undertakings, £20,545,009 relates to a loan that is secured on receivable balances. The loan matures on 17 December 2024 and has an interest rate of 4.94%. This loan has been classified as as falling due within one year as the parent company has the ability to recall it on demand.

The remainder of the amounts owed to Group undertakings relate to credit terms of 30-90 days, are unsecured and interest free.

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

14. Provisions for other liabilities

The Company had the following provisions during the year:

	Dealer Provisions £
At 1 January 2022	2,302,029
Additions dealt with in profit or loss	5,549,894
Releases dealt with in profit or loss	(1,467,335)
Reclassification to trade debtors	(3,412,493)
At 31 December 2022	2,972,095

The dealer provision relates to a handover fee payable to the dealer, on completion of a sale that satisfies certain criteria. This provision is released to the profit and loss account if the conditions are not met and the time period expires, and is reclassified by way of raising a credit note when the criteria are met.

	Warranty Provisions £
At 1 January 2022	1,182,599
Additions dealt with in profit or loss	1,067,996
Releases dealt with in profit or loss	(1,117,093)
At 31 December 2022	1,133,502

The warranty provision is accrued as sales are made, and then released as claimed or as the warranty period expires.

15. Called up share capital

	2022	2021
	£	£
Allotted and fully paid		
6,000,000 (2021: 6,000,000) ordinary shares of £1 each	6,000,000	6,000,000

16. Pension obligations

The total pension cost for the Company was £582,132 (2021: £566,736).

Pension costs relate to the Company's defined contribution pension scheme "The Andreas Stihl 1994 Pension Plan".

There are no outstanding or prepaid contributions to the scheme at 31 December 2022 (2021 - £nil).

**ANDREAS STIHL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

17. Other financial commitments

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

Payments due	2022	2021
	£	£
Not later than one year	106,598	99,283
Later than one year and not later than five years	76,217	123,441
Later than 5 years	-	-
	<b>182,815</b>	<b>222,724</b>

In addition to the lease commitments, there is a contract in place for the construction of the new building and warehouse facility, at the year end the Company is committed to pay £18,180,063 (2021: Nil).

The Company had no other off balance sheet arrangements.

18. Related party transactions

As a wholly owned subsidiary of Stihl International GmbH, the Company is exempt from the requirements of FRS 102 Section 33.1A 'Related party disclosures' to disclose transactions with other members of that Group.

Other than the directors emoluments disclosed in note 6, there were no other related party transactions requiring disclosure (2021: none).

19. Controlling Parties

The immediate parent undertaking is Stihl International GmbH.

The ultimate parent undertaking and controlling party is Stihl Holding AG & Co.KG, a Company incorporated in Germany, Postfach 1771, D-71307 Waiblingen.

Stihl Holding AG & Co.KG is the parent undertaking of the largest and smallest Group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Stihl Holding AG & Co.KG are available from Postfach 1771, D-71307 Waiblingen, Germany, and online at <https://www.stihl.com/>.