Registration number: 00526983

O-I Glass Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2023

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O-I Glass Limited

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O-I Glass Limited

Company Information

Directors	Mr J Rankine Mr S Holden O-I Europe Sarl Mr M Provaznik
Company secretary	Mr P Boreham
Registered office	PO Box 6068 Edinburgh Way Harlow Essex CM20 2UG
Auditors	Ernst & Young LLP 400 Capability Green Luton Beds LU1 3LU

O-I Glass Limited

Strategic Report for the Year Ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Principal activity
The principal activity of the company is the manufacture and sale of glass containers to customers in the UK and Europe.

Fair review of the business
Turnover for the company amounted to £208,366,000 (2022: £201,953,000) which represents sole supply of goods to third party customers. The increase is wholly due to an increase in selling price through inflation, as volume dropped slightly on prior year.

The reduction in volume reflected into lower input costs, which decreased compared to 2022. The gross profit increase for the year of £8,020,000 to £38,523,000 (2022: £30,503,000) was due to higher prices in 2023, along with a good cost containment process.

Administrative expenses have increased to £23,781,000 (2022: £20,892,000), mainly due to higher principal charges in 2023 of £3,343,000, following a more profitable year.

Operating profit increased by £5,131,000 to £14,742,000 in 2023 (2022: £9,611,000). This is mainly due to having higher sales in 2023 compared to 2022. Net finance costs have increased by £9,044,000 to £8,771,000 (2022 income: £273,000) due to an increase in external factoring interest paid of £781,000 plus Lease interest expense of £463,000. Defined Benefit Pension finance expense recognised in the Income Statement has increased by £7,800,000 to £6,212,000 (2022 income: £1,588,000) due to market movements.

The company's profit for the year, after taxation, amounted to £3,894,000 (2022: £26,767,000), the decrease is mainly caused by the increase in cost of sales and administrative costs of £1,282,000, the increase in defined benefit finance expense of £7,800,000 and also due to the movement on the refund tax of £624,400 (2022: £18,476,000) relating to the defined benefit pension scheme.

The directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The company operates a non-transactional principal charge model, which takes place between O-I Europe Sarl (OIE) and each local entity to set the remuneration of the respective O-I Affiliate.

This provides an incentive for the local entities to increase the local profitability. Depending on performance of the O-I Affiliates this could result in a lower or higher remuneration with respect to local accounts.

The main key risk impacting the company is adhering to the strict health and safety rules whilst ensuring efficient production of glass. The company has a good Environment, Health and Safety (EHS) team and strong procedures in place to achieve this.

Environmental risk is one of the principal risks for O-I Glass Limited. Local management ensures the company adheres fully to any environmental regulations within the UK.

Local management continue to monitor changes in legislation that may impact the company and its employees.

The company closed its Defined Benefit Pension Plan to future accrual on 30 June 2014. The Company reviews the funding status on a regular basis with its parent company in the US. The Pension Plan is in an accounting surplus, and all future contributions of the recovery plan were paid in advance on 31 December 2021, achieving a fully funded status ahead of the expected date.

Impact from the risks related to general health pandemics

O-I Glass Limited have taken learnings from the COVID health pandemic and made adjustments within the business to ensure that risks of future health pandemics are managed to maintain safe and continued operations. The Directors are confident that the measures put in place will protect the business from any major risk or uncertainty.

Impact of Brexit related risks

Following the departure of the UK from the EU on 31 January 2020, the company has mitigated any risk by procuring materials from UK companies, where possible, and selling glass to UK customers. Any additional red tape required from border crossings are dealt with by third party carriers to reduce lead times.

Russia, Ukraine and Belarus Conflict

O-I Glass Limited procures all of its materials for manufacture and production outside of these areas, and so far the conflict has not had a direct impact on the business. Sales are mainly to UK customers, but the company closely monitors the situation, and is agile enough to move quickly should the need arise.

Cost of Living Crisis

O-I Glass Limited mitigates any risk from high levels of inflation by hedging costs, where possible. O-I Glass Limited's energy was hedged at preferential rates during the year ending 31 December 2023, reducing one of the main areas for inflation risk. All other costs are regularly reviewed and action plans are put in place to reduce risk where applicable.

Section 172(1) statement

The Directors are constantly ensuring that global policies and strategies are fully adhered to on a local level, and are aware of their responsibilities under section 172 of the Companies Act 2006 to keep the company viable as a whole, to fulfil its duties to the wider group of stakeholders.

• The Company's long term goals revolve around sustainability and the demand to be the preferred supplier for glass packaging in the global food and beverage industry. O-I Glass Limited has long term goals to meet emission targets set by local authorities and to reduce its impact on the environment, thus making glass the cleanest and healthiest container packaging on the market. Our plan to become the preferred supplier for glass packaging is disclosed within the 'desirability of the company maintaining a reputation for high standards of business conduct' section of the ultimate parents, O-I Glass Inc's, 10K report.

• O-I Glass Limited has employees in the UK only, and we ensure we comply with all local labour laws and apply what the Directors believe are appropriate standards and systems to monitor and to ensure the welfare of our employees. We participate in regular employee engagement surveys and implement any improvements where possible. O-I Glass Limited also use a range of contractor employees. When on site, all contractors adhere to O-I Glass Limited rules and all efforts are made to ensure the same welfare standards apply to all.

• The Company has traded since 1953. During that time it has built and maintained relationships with key investors, advisors and suppliers. The Directors recognise the importance of these relationships and take active steps to develop and strengthen them through dialogue and engagement. These relationships are regularly monitored at Board level. The Chairman ensures that he is available to discuss issues with key shareholders outside of the shareholder meetings which are held.

• O-I Glass Limited strives to ensure its sustainability within the environment. The nature of the company's environmentally sustainable business evidences the Directors' aim that the company be and remain a contributing and good "Corporate Citizen". O-I Glass Limited ensures it remains at the heart of the community by employing mainly local personnel, some staying in the glass industry through generations. O-I Glass Limited runs a modern apprenticeship program and has good relationships with local colleges to start students on their career paths within this specialised engineering industry.

Section 172(1) statement (continued)

• The Company's vision is to shape a healthier and more exciting world with innovative and competitive packaging solutions for food and beverage brands. Its goal is to win the fight for glass and achieve success for its customers, employees and shareholders. The Company will realise its vision and goal by achieving its three strategic ambitions including:

a) To be the preferred supplier for glass packaging in the global food and beverage industry by significantly improving the customer experience; aligning its activity with customer's value to grow revenue together; improving quality and flexibility; improving innovation and speed of commercialisation; improving its environmental profile; as well as increasing sales, marketing, end-to-end supply chain capabilities and talent;

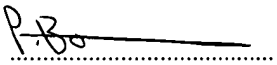
b) To be the most cost effective producer in the global glass packaging segment by ensuring asset stability and total systems cost management; elevating factory profitability and efficiency, leveraging automation, and improving quality; cultivating game changing concepts that create new competitive advantages; and focusing on continuous improvement; and

c) To create a new business model to make glass increasingly more relevant and accessible by leveraging innovation; developing breakthrough technology; and enabling the value chain.

O-I Glass Limited plays a part in the global vision by ensuring we are the preferred supplier in the UK market through external relationships, employee involvement and agility. Everything we do revolves around strategic decisions being made with integrity, transparency and professionalism. High standards are constantly being aimed for in order to ensure success for all stakeholders involved. We are always striving to achieve a neutral environmental impact and to increase sustainability by means of emissions monitoring, reducing vehicle movements by direct deliveries, raw materials consumption vs cullet usage being just a few.

• As the Board of Directors, our intention is to behave responsibly toward our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. Each Board meeting addresses compliance by the Company with its corporate governance codes and reinforces the Board's requirement that its business be conducted to all due ethical standards and with integrity.

Approved and authorised by the Board on 5 December 2024 and signed on its behalf by:



Mr P Boreham
Company secretary

O-I Glass Limited

Directors' Report for the Year Ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors of the company
The directors who held office during the year were as follows:

Mr J Rankine

Mr R Gachot (resigned 31 May 2023)

Mr S Holden

O-I Europe Sarl

Mr M Provaznik (appointed 31 May 2023)

Dividends
The directors do not recommend the payment of a dividend (2022: nil).

Employment of disabled persons
The company fully complies with its statutory obligations under the Disabled Persons (Employment) Acts 1944 and 1958, giving full and fair considerations to applications for employment from disabled persons having regard to their individual aptitudes and capabilities. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The company is an equal opportunities employer.

Employee engagement
There are well established arrangements in the company to keep employees informed on matters, which may affect their employment, Employees are kept informed and engaged through clear, regular, communication from management via notice boards and emails. Employees are regularly consulted on matters to involve them in the affairs of the business. These include regular presentations on business plans and progress towards planned objectives.

Stakeholder Interest
O-I Management ensure that all third party stakeholders are kept informed of principal decisions in order to strengthen long term relationships and fulfill our stakeholder obligations.

In the United Kingdom, large companies and LLPs are required to report their payment practices and performance to the government in accordance with the Reporting on Payment Practices and Performance Regulations 2017. O-I Management ensure this is completed within the required timeframes of the reporting deadlines.

Please also see the S172(1) Statement in the Strategic Report for more detail.

Environmental report

Although O-I does not meet the threshold requirements for formal reporting, we have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. O-I Glass Limited supports these recommendations and are committed to disclosing the relevant information which can be found below.

Governance

O-I Glass Limited is part of the energy intensive industry sector. It recognises its responsibility to minimise its impact on the natural environment and continues to reduce its energy consumption, carbon emissions, water usage and waste as much as possible within its means. Its three furnaces, across two sites, require a mixture of gas, electricity and oxygen energy to produce its glass bottles.

Metrics and targets

O-I Management regularly use metrics to review its progress in reducing emissions. The 6 main metrics reviewed are; gas, fuel oil, electricity, oxygen, water and CO2 emissions into the atmosphere through manufacture of glass.

Emissions and energy consumption

The Company is required to report greenhouse gas (GHG) emissions in the Directors' Report in line with Streamlined Energy and Carbon Reporting (SECR) standards.

The Company GHG emissions are reported in tonnes of carbon dioxide equivalent (TCO2e), and the current submission covers the period 1 January 2023 to 31 December 2023.

This reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard. In line with the guidance on SECR, the energy and emissions for the buildings owned and operated by the company are included.

The latest emission factors from the Department for Business, Energy and Industrial Strategy (updated 7 June 2023) have been used and gross emissions shown in the table below have been applied using the using location-based grid average emissions factors accounting methodology.

Summary of greenhouse gas emissions and energy consumption for the year ended 31 December 2023:

Energy Type	Unit of Measure	2023	2022
Gas	KWH	603,609,748	677,944,085
Fuel Oil	Litres	2,177	2,177
Electricity	KWH	130,293,509	130,244,365
Acetylene (OPG)	tonnes	1	1
Propane (LPG)	tonnes	12	3
Limestone	tonnes	28,087	36,154
Soda Ash	tonnes	32,168	44,054
Carbon	tonnes	118	48

Summary of scope 1 (direct) greenhouse gas emissions for the year ended 31 December 2023:

Name and description	Metric and / or KPI	2023	2022
Natural Gas	tCO2	120,859	124,561
Fuel (Gas) Oil	tCO2	8	8
Acetylene (OPG)	tCO2	2	2
Propane (LPG)	tCO2	37	10
Limestone	tCO2	12,391	16,036
Soda Ash	tCO2	13,316	18,240
Carbon	tCO2	431	176
		147,044	159,033

Summary of scope 2 (indirect) greenhouse gas emissions for the year ended 31 December 2023:

Name and description	Metric and / or KPI	2023	2022
Electricity	tCO2	26,980	25,187

Energy Efficiency Action Taken

Both facilities continue a program of replacing inefficient lighting arrangements for the more efficient LED versions.

Both manufacturing sites continue to operate under a Pollution Prevention and Control License. The plants also remained participants of the UK Emissions Trading Scheme for 2023. The company has registered its group exemption from the UK Carbon Reduction Commitment Scheme in 2010. The company's registration as a reprocessor of recycled packaging glass was maintained. Both sites Environmental Management Systems remain accredited to ISO14001. The company received the FDIE Sustainability award for carbon reduction in 2017 (https://www.edic.net/news/7/Sustainability-Leaders-Awards-2017-Winners-and-finalists-announced/). All products manufactured at both sites are certified to meet "Cradle to Cradle" criteria (http://www.c2ccertified.org/)

Please also see the S172(1) statement in the Strategic Report for the Company's environmental strategy.

Intensity ratio

The directors have chosen emissions per turnover (tonne CO2 equivalent per £million) and emissions by (tonne CO2 equivalent per FTE) as the most relevant intensity ratios due to the fact the company is a labour intensive industry, despite the evolution of automation and technology in recent years. O-I Glass Limited's turnover has increased in 2023 compared to 2022 due to an increase in selling price only. The four furnaces remain mostly constant throughout 2023, so the CO2 emissions are comparable with prior year. During the year ended 31 December 2023 the emissions per turnover £million ratio was 836.66% (2022 - 911.98%). This is based on £208 million (2022: £202m) turnover.

In order to facilitate year on year comparisons of emissions taking into account fluctuation in activity level, O-I Glass Limited has calculated the intensity ratio of emissions per UK full time employee (FTE). This is based on 700 (2022: 654) FTE employees for the year to 31 December 2023. During the year ended 31 December 2023 the emissions per FTE employee ratio was 248.61% (2022 - 281.68%).

Statement by the directors on performance of their statutory duties in accordance with S172(1) Companies Act 2006

The directors are fully appraised of their responsibilities under section 172 of the Companies Act 2006. In line with their duties under S172(1) Companies Act 2006, they act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so, have regard to a range of matters when making decisions for the long term. How S172 has been applied by the directors has been outlined in the Strategic Report.

Future developments

Sustainability is a key strategic priority for the group which is working hard to promote re-cycling of glass and the energy efficiency of our furnaces. In terms of market developments, it is anticipated that there will be continued growth in regional and craft beers, in which the company has expertise.

Going Concern

The company is part of a global organisation. The company has considerable resources and strategic partnerships with both suppliers and customers.

The UK manufacturing operation serves many large multinational accounts principally in the UK and its plants are well placed to service them. However, it will also supply glass to other European customers and sister plants operating in mainland Europe if UK bottle demand is required. Risks to the European business are borne and managed by the Swiss Head quarters where certain key functions are based such as treasury, shared service centre and functions such as procurement which maximise synergies for the region.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the approval of the financial statements. The company has net current assets at the year end of £30,909,000 (2022: £64,179,000) and is cash generating. The directors have carried out a detailed review of cash flow forecasts covering 12 months from the approval of these financial statements. The latest projections show the company generating positive operating cash flows through the 12-month period from the date of this report. However the projections also include significant capital expenditure of £40,803,000 in the period which will be funded through support from the ultimate parent company O-I Glass Inc.

The company has in place a guarantee from O-I Glass Inc in respect of the ongoing pension scheme liabilities, along with a letter of support from O-I Glass Inc confirming it will continue to support the company for a period of 12 months from the approval of the financial statements. The directors have assessed the ability of O-I Glass Inc to support the company and have concluded that the ultimate parent company has the ability to support.

In making this assessment, directors have given sufficient consideration to current external, social, political and economic environment.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised by the Board on 5 December 2024 and signed on its behalf by:

Mr P Boreham
Company secretary

O-I Glass Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

O-I Glass Limited

Independent Auditor's Report to the Members of O-I Glass Limited

Opinion

We have audited the financial statements of O-I Glass Limited (the 'company') for the year ended 31 December 2023 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2023 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 there is 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 the other information, we are required to report that fact.

Independent Auditor's Report to the Members of O-I Glass Limited (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters where 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 directors' 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 Statement of Directors' Responsibilities set out on page 11, 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.

Explanation as to what extent 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, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant to be those relating to United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.
- We understood how O-I Glass Limited is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce the opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was susceptibility of fraud. We considered the procedures and controls that the company has established to address the risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override and fictitious manual sales postings to deliberately improve revenue and performance particularly around the year-end. To address the risk of management override, we have used data analytics and obtained the entire population of journals for the year, and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included obtaining and inspecting board and management meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of samples of transactions throughout the audit to supporting source documentation.

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

Independent Auditor's Report to the Members of O-I Glass Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

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Mandip Dosanjh (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

400 Capability Green
Luton
Beds
LU1 3LU

Date: 9 December 2024

O-I Glass Limited

Profit and Loss Account for the Year Ended 31 December 2023

	Note	2023 £ 000	2022 £ 000
Turnover	3	208,366	201,953
Cost of sales		(169,843)	(171,450)
Gross profit		38,523	30,503
Administrative expenses		(23,781)	(20,892)
Operating profit	4	14,742	9,611
Interest payable and similar expenses	5	(2,559)	(1,315)
Other finance (costs)/income	18	(6,212)	1,588
		(8,771)	273
Profit before tax		5,971	9,884
Taxation	8	(2,077)	16,883
Profit for the financial year		3,894	26,767

The above results were derived from continuing operations.

O-I Glass Limited

Statement of Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 £ 000	2022 £ 000
Profit for the year		3,894	26,767
Other Comprehensive Income			
Actuarial gain during the period	18	10,165	144,793
Return on plan assets	18	8,006	(198,240)
Current tax (gain)/loss on pension liability	8	(1,213)	125
		16,958	(53,322)
Total comprehensive income for the year		20,852	(26,555)

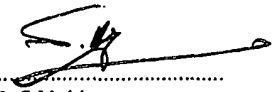
The notes on pages 20 to 43 form an integral part of these financial statements.

O-I Glass Limited

(Registration number: 00526983)
Balance Sheet as at 31 December 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Tangible assets	9	114,573	71,959
Pension Asset			
Pension asset	18	33,317	21,784
Current assets			
Stocks	10	59,495	40,877
Debtors	11	58,473	84,000
Cash at bank and in hand	12	92	67
		118,060	124,944
Creditors: Amounts falling due within one year	13	(87,151)	(60,765)
Net current assets		30,909	64,179
Total assets less current liabilities		178,799	157,922
Creditors: Amounts falling due after more than one year	14	(3,082)	(2,545)
Accruals and deferred income	15	(1,482)	(2,001)
Provisions for liabilities	16	(225)	(218)
Net assets		174,010	153,158
Capital and reserves			
Called up share capital	19	1,000	1,000
Share premium reserve	20	98,334	98,334
Profit and loss account	20	74,676	53,824
Total equity		174,010	153,158

Approved and authorised by the Board on 5 December 2024 and signed on its behalf by:



Mr S Holden
Director

O-I Glass Limited

Statement of Changes in Equity for the Year Ended 31 December 2023

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022	1,000	98,334	80,379	179,713
Profit for the year	-	-	26,767	26,767
Other comprehensive income	-	-	(53,322)	(53,322)
Total comprehensive income	-	-	(26,555)	(26,555)
At 31 December 2022	1,000	98,334	53,824	153,158

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2023	1,000	98,334	53,824	153,158
Profit for the year	-	-	3,894	3,894
Other comprehensive income	-	-	16,958	16,958
Total comprehensive income	-	-	20,852	20,852
At 31 December 2023	1,000	98,334	74,676	174,010

The notes on pages 20 to 43 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2023

1 General information

The company is a private company limited by share capital, registered and domiciled in England and Wales.

The address of its registered office is:
PO Box 6068
Edinburgh Way
Harlow
Essex
CM20 2UG
England

These financial statements were authorised for issue by the Board on 5 December 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below.

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling and have been rounded to the nearest thousand pound (£'000).

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and preceding year, is set out below.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

2 Accounting policies (continued)

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. O-I Glass Limited is a qualifying entity as its results are consolidated into the financial statements of O-I Glass Inc, an SEC-registered Company incorporated in the USA and whose financial statements are publicly available.

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The Company has also taken advantage of the disclosure exemption of Section 33.1A Related Party Transactions, in respect of transactions with other group companies

Amendments to FRS 102 – International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two model rules. These are aimed at ensuring that large corporate groups are subject to a minimum taxation at a 15 percent rate in each jurisdiction where they operate. The Company is in the scope of the Pillar Two Model Rules and has adopted the amendments to FRS 102 (Refer income tax note 8). It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 11 July 2023, the FRC issued amendments to Section 29 of FRS 102 ('Income Tax'), introducing a temporary exception to the requirements of FRS 102 under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the proposed OECD/ G20 BEPS Pillar Two model rules.

The Company has applied the temporary exception at 31 December 2023.

2 Accounting policies (continued)

Going concern

The company is part of a global organisation. The company has considerable resources and strategic partnerships with both suppliers and customers.

The UK manufacturing operation serves many large multinational accounts principally in the UK and its plants are well placed to service them. However, it will also supply glass to other European customers and sister plants operating in mainland Europe if UK bottle demand is required. Risks to the European business are borne and managed by the Swiss Head quarters where certain key functions are based such as treasury, shared service centre and functions such as procurement which maximise synergies for the region.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of 12 months from the approval of the financial statements. The company has net current assets at the year end of £30,909,000 (2022: £64,179,000) and is cash generating. The directors have carried out a detailed review of cash flow forecasts covering 12 months from the approval of these financial statements. The latest projections show the company generating positive operating cash flows through the 12-month period from the date of this report. However the projections also include significant capital expenditure of £40,803,000 in the period which will be funded through support from the ultimate parent company O-I Glass Inc.

The company has in place a guarantee from O-I Glass Inc in respect of the ongoing pension scheme liabilities, along with a letter of support from O-I Glass Inc confirming it will continue to support the company for a period of 12 months from the approval of the financial statements. The directors have assessed the ability of O-I Glass Inc to support the company and have concluded that the ultimate parent company has the ability to support.

In making this assessment, directors have given sufficient consideration to current external, social, political and economic environment.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business. Turnover is stated net of value added tax. Turnover is attributable to the principal continuing activity, the manufacture of glass containers. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
It is probable that future economic benefits will flow to the entity; and
Specific criteria have been met, which is usually on despatch.

Government grants

Government grants are included within accruals and deferred income, and are amortised over the life of the fixed asset to which they relate.

2 Accounting policies (continued)

Foreign currency transactions and balances
The financial statements are prepared in sterling which is the functional currency of the company. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result and included within cost of sales.

Tax
Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in UK, the jurisdiction in which O-I Glass Limited is incorporated and will come into effect for the period beginning on or after 31 December 2023. Since the Pillar Two legislation was not effective at the reporting date, the company has no related current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102 issued in July 2023.

Tangible assets
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to profit or loss during the period in which they are incurred. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Fixed asset projects are added to assets under construction initially, until the project is complete and brought into use. At this point the asset is transferred from assets under construction to assets in use and depreciated.

2 Accounting policies (continued)

Depreciation
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

There is no depreciation accounted for on freehold land.

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

Assets that are subject to depreciation are assessed at each reporting date to determine whether there are any indications that the assets are impaired.

Assets under construction are not depreciated until the asset is transferred to assets in use.

Asset class	Depreciation method and rate
Freehold Buildings	2% on cost
Plant	variable within range of 4% to 33.33%

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks
Stocks are stated at the lower of cost and net realisable value. Stocks consist of Finished Goods, Packaging, Raw Materials, Spare Parts and Consumables. Costs include all costs incurred in bringing each item to its present location and condition.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2 Accounting policies (continued)

Provisions
Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases
Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

The VSA Finance lease is calculated with an interest rate of 4.4270%. The term is 12 years, finishing in 2027. Assets held under finance leases, which are leases where substantially all of the risks and rewards of ownership of the asset have passed to the company, are capitalised on the balance sheet and are depreciated over the shorter of the lease term and the assets useful lives. A Corresponding liability is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments on the balance sheet. Lease payments are apportioned between the redirection of the lease liability and the finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liabilities.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Accounting policies (continued)

Defined benefit pension obligation

The company operates a defined benefit plan for some of its employees which closed to future accrual on 30 June 2014.

The Defined Benefit scheme is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated subsequently at each balance sheet date. The resulting defined benefit asset or liability, is presented separately after other net assets on the face of the balance sheet.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the profit and loss account if the benefits have vested and are included as part of staff costs. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

On 16 June 2023, the High Court made a significant ruling in Virgin Media Ltd v. NTL Pension Trustees II Ltd (and others). The aim of this High Court case was to ascertain whether an amendment to a scheme's rules was invalid in the absence of a confirmation from the Scheme Actuary under Section 37 (S37) of the Pension Schemes Act 1993.

The judge ruled that, where benefit changes were made without a valid S37 certificate, those changes could be considered void. Other defined benefit pension schemes that were contracted out on a salary-related basis and made amendments between April 1997 and April 2016 could also be impacted by this judgement.

The United Glass Pension Plan (UGPP) was contracted-out on either a money purchase basis and/or a salary-related basis at different points during this time, with all members being contracted-out on a salary-related basis from 2012 until the Plan closed to future accrual in 2014.

Following the initial court case, the Trustee of the UGPP undertook an initial review of the Plan's historic deeds for the impact of this case. They identified some amendments where the certificate was attached; some where the certificate was referenced, but either not attached or post-dated and some that required further investigation. The Trustee decided to wait for the outcome of the appeal.

On 25 July 2024, the Court of Appeal upheld the High Court's decision. This was unwelcome by the pensions industry who had been anticipating that the Department for Work and Pensions would step in to apply retroactive legislative amendments. The Trustee will wait to see whether other cases will come forward or whether the Government may intervene. Given this status, no allowance has been made for any impact in the 5 April triennial valuation that was completed in May 2024. The Trustee of the UGPP will continue to keep this matter under review.

2 Accounting policies (continued)

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to/from related parties. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured at the undiscounted amount of the cash or other consideration, expected to be paid or received and subsequently at amortised cost using the effective interest method.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements

There are no significant critical judgements, apart from judgements involving estimations (which are dealt with separately below), that directors have made in the process of applying company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

In preparing the financial statements, the directors are required to make estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results and could result in a change to the estimates in the next or future financial years. The key estimates affecting reported assets and liabilities at the balance sheet date are as follows:

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The company engages suitably qualified actuaries to compile this information and engages investment managers to manage the assets of the scheme in the most effective manner.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with an assessment of the effect of future tax planning strategies.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2023 £ 000	2022 £ 000
Sale of goods	208,366	201,953

The analysis of the company's turnover for the year by class of business is as follows:

	2023 £ 000	2022 £ 000
Sale of Glass Containers	208,366	201,953

The analysis of the company's turnover for the year by market is as follows:

	2023 £ 000	2022 £ 000
UK	203,856	193,712
Rest of world	4,510	8,241
	208,366	201,953

4 Operating profit

Arrived at after charging/(crediting)

	2023 £ 000	2022 £ 000
Depreciation expense	10,776	9,013
Government grants	(399)	(399)
Auditors remuneration	97	103
Foreign exchange (gains)/losses	(326)	402
Loss on disposal of property, plant and equipment	112	228
Inventory recognised as an expense	52,361	49,571
Operating leases - Other	752	600
Bad debts written off	-	49

There are no non-audit fees payable to the auditor.

5 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest on obligations under finance leases and hire purchase contracts	641	178
Interest expense on other finance liabilities	1,918	1,137
	2,559	1,315

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £ 000	2022 £ 000
Wages and salaries	31,081	29,443
Social security costs	3,631	3,504
Pension costs	4,426	3,898
	39,138	36,845

Included within 'Pension costs' are December's employee accrued defined contribution pension contributions totalling £404,351 (2022: £365,999). These will be paid over to the Pension Fund in January 2024.

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Production	545	499
Administration and support	155	155
	700	654

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £ 000	2022 £ 000
Remuneration	421	373
Pension	57	57
	478	430

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Accruing benefits under defined benefit pension scheme	1	1

In respect of the highest paid director:

	2023 £ 000	2022 £ 000
Remuneration	307	275
Defined benefit accrued pension entitlement at the end of the period	26	25

8 Taxation

Tax charged/(credited) in the income statement

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax	(1,951)	(18,351)
Deferred taxation		
Arising from origination and reversal of timing differences	4,028	1,468
Tax expense/(credit) in the income statement	2,077	(16,883)

The tax on the profit/(loss) before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 23.5% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Profit before tax	5,971	9,884
Corporation tax at effective rate of 23.5%	1,404	1,878
Permanent differences	(649)	(643)
Deferred tax rate change	124	350
Deferred tax prior year adjustment	1,822	8
Pension asset refund tax @ 25% (2022: 35%)	(624)	(18,476)
Total tax charge/(credit)	2,077	(16,883)

The corporation tax rate for the current year is 23.5%. The Finance Act 2021 substantively enacted the increase in the corporation tax rate from 19% to 25%, which took effect from 1 April 2023.

The effect of the rate increase has been reflected in the deferred tax balances in the financial statements.

The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in UK, the jurisdiction in which O-I Glass Limited is incorporated and will come into effect for the period beginning on or after 31 December 2023. Since the Pillar Two legislation was not effective at the reporting date, the company has no related current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102 issued in July 2023.

8 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2023	Recognised Asset £ 000
Accelerated Capital Allowances	6,924
Short Term Timing Differences	110
Trading Losses	13,390
Pensions	101
	20,525

2022	Recognised Asset £ 000
Accelerated Capital Allowances	9,787
Short Term Timing Differences	66
Trading Losses	14,607
Pensions	92
	24,552

Tax relating to items recognised in other comprehensive income or equity

	2023 £ 000	2022 £ 000
Current tax related to items recognised as items of other comprehensive income	(1,213)	125

The company has trading losses incurred before 1 April 2017 of £24,228,704 (2022: £29,097,783) and trading losses incurred post 1 April 2017 of £29,070,436 (2022: £29,070,436).

The company has non trading losses incurred prior to 1 April 2017 of £28,761,297 (2022: £29,705,500) and £258,680 incurred post 1 April 2017 (2022: £258,680). These losses have a deferred tax value of £7,254,994. No deferred tax asset as been recognised on the pre 1 April 2017 losses (deferred tax value £7,190,324) as their use is uncertain or not currently anticipated.

Capital losses with a deferred tax value £13,707,413 (2022: £13,707,413) have not been recognised, as their use is uncertain or not currently anticipated.

The company has historically rolled over capital gains in the amounts of £5,181,000 (2022: £5,181,000). These gains will only become subject to tax if the assets into which the gains have been rolled over are sold and then only to the extent that the gains are not covered by capital losses brought forward or rolled over again. Accordingly, no provision has been made for deferred tax on these gains as it is not anticipated that any tax will be payable on these gains in the foreseeable future.

9 Tangible assets

	Freehold Land and buildings £ 000	Long Leasehold £ 000	Plant £ 000	Assets Under Construction £ 000	Total £ 000
Cost					
At 1 January 2023	36,533	6,392	180,122	15,986	239,033
Additions	-	1,483	-	52,665	54,148
Disposals	-	-	(2,652)	-	(2,652)
Transfers	-	-	8,901	(8,901)	-
At 31 December 2023	36,533	7,875	186,371	59,750	290,529
Depreciation					
At 1 January 2023	16,692	3,655	146,727	-	167,074
Charge for the year	-	738	10,038	-	10,776
Eliminated on disposal	-	-	(1,894)	-	(1,894)
At 31 December 2023	16,692	4,393	154,871	-	175,956
Carrying amount					
At 31 December 2023	19,841	3,482	31,500	59,750	114,573
At 31 December 2022	19,841	2,737	33,395	15,986	71,959

The Assets Under Construction category relates mainly to parts for 2 furnace builds that will be taking place during 2024 and 2025. These parts have various lead times and so are delivered to site in advance of the project.

10 Stocks

	2023 £ 000	2022 £ 000
Raw materials and consumables	6,306	4,407
Production supplies	3,705	3,095
Finished goods and goods for resale	48,025	31,915
Other inventories	1,459	1,460
	59,495	40,877

Impairment of stocks

The amount of impairment loss included in profit or loss is £583,716 (2022 - £(18,120)).

11 Debtors

	Note	2023 £ 000	2022 £ 000
Trade debtors		1,086	4,059
Amounts owed by group undertakings	22	34,673	54,302
Other debtors		999	193
Prepayments		1,190	894
Deferred tax assets	8	20,525	24,552
		58,473	84,000

Trade Debtors and amounts owed by group undertakings are unsecured, are not interest bearing and repayable on demand.

Included within amounts owed by group undertakings is cash held in a group cash pooling facility amounting to £28,637,001 (2022: (£43,402,137) which is managed by the group Company O-I European Group BV.

12 Cash and cash equivalents

	2023 £ 000	2022 £ 000
Cash at bank	92	67

13 Creditors

	Note	2023 £ 000	2022 £ 000
Due within one year			
Finance leases	17	805	557
Trade creditors		69,756	44,870
Amounts owed to group undertakings	22	682	535
Social security and other taxes		4,553	4,883
Other payables		5,165	5,294
Accruals		2,875	3,608
Other creditor		3,315	1,018
		87,151	60,765

Trade creditors and intercompany balances are unsecured, are not interest bearing and repayable on demand.

14 Creditors: amounts falling due after more than one year

	Note	2023 £ 000	2022 £ 000
Finance leases	17	3,082	2,545

15 Accruals and deferred income

	2023 £ 000	2022 £ 000
Deferred government grants	1,482	2,001

16 Provisions for liabilities

	Site Restoration £ 000	Total £ 000
At 1 January 2023	218	218
Additional provisions	7	7
At 31 December 2023	225	225

The Devilla Western Reserve site restoration provision, which was originally expected to be utilised by 2023, is now expected to be utilised by the end of 2028.

17 Obligations under leases and hire purchase contracts

Finance leases

During the year the finance lease liability was revised, resulting in a £1,483,000 increase to the lease liability and related asset balances. This revision was as a result of agreeing to align the annual inflation increases with the capital lease repayments.

The total of future minimum lease payments is as follows:

	2023 £ 000	2022 £ 000
Not later than one year	805	557
Later than one year and not later than five years	3,082	2,545
	3,887	3,102

Operating leases

The total of future minimum lease payments is as follows:

	2023 £ 000	2022 £ 000
Not later than one year	573	243
Later than one year and not later than five years	985	70
	1,558	313

The amount of non-cancellable operating lease payments recognised as an expense during the year was £751,661 (2022 - £599,919).

18 Pension and other schemes

United Glass Pension Plan Trustee Limited

The Company operated a Defined Benefit (DB) pension plan which closed to future accrual on 30 June 2014. All ex-DB members were offered membership of the O-I defined contribution (DC) scheme which is a Group Personal Pension with Legal and General. This is the same scheme which is used for auto enrolment purposes.

A formal actuarial funding valuation of the DB scheme as at 5 April 2023 was carried out by Barnet Waddingham, qualified actuaries. At that date, the market value of the assets of the plan amounted to £348 million and this was sufficient to cover 107% of the long-term ongoing Technical Provisions liabilities, which included provisions for GMP equalisation and the Barber window extension.

In light of the results of this valuation, the Company agreed with the Trustee that the Plan can be considered as fully funded and that no further funding by the company is required.

The next actuarial valuation is due to be carried out no later than 5 April 2026.

Core contribution rates to the O-I DC scheme are 3% from the employee and 8% from the employer. In addition to the core contribution rate the employer pays an additional 1% (to a maximum of 11%) for every 1% increase from the employee.

The amounts recognised in the Income Statement in respect of the O-I defined contribution scheme were £4,426,517 (2022: £3,897,720).

18 Pension and other schemes (continued)

Virgin Media Case

On 16 June 2023, the High Court made a significant ruling in Virgin Media Ltd v. NTL Pension Trustees II Ltd (and others). The aim of this High Court case was to ascertain whether an amendment to a scheme's rules was invalid in the absence of a confirmation from the Scheme Actuary under Section 37 (S37) of the Pension Schemes Act 1993.

The judge ruled that, where benefit changes were made without a valid S37 certificate, those changes could be considered void. Other defined benefit pension schemes that were contracted out on a salary-related basis and made amendments between April 1997 and April 2016 could also be impacted by this judgement.

The United Glass Pension Plan (UGPP) was contracted-out on either a money purchase basis and/or a salary-related basis at different points during this time, with all members being contracted-out on a salary-related basis from 2012 until the Plan closed to future accrual in 2014.

Following the initial court case, the Trustee of the UGPP undertook an initial review of the Plan's historic deeds for the impact of this case. They identified some amendments where the certificate was attached; some where the certificate was referenced, but either not attached or post-dated and some that required further investigation. The Trustee decided to wait for the outcome of the appeal.

On 25 July 2024, the Court of Appeal upheld the High Court's decision. This was unwelcome by the pensions industry who had been anticipating that the Department for Work and Pensions would step in to apply retroactive legislative amendments. The Trustee will wait to see whether other cases will come forward or whether the Government may intervene. Given this status, no allowance has been made for any impact in the 5 April triennial valuation that was completed in May 2024.

The Trustee of the UGPP will continue to keep this matter under review.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2023 £ 000	2022 £ 000
Fair value of scheme assets	336,661	339,689
Present value of defined benefit obligation	(292,239)	(306,175)
	44,422	33,514
25% Refund Tax (2022: 35%)	(11,106)	(11,730)
Defined benefit pension scheme surplus	33,316	21,784

The directors of O-I Glass Limited have reviewed the appropriateness of recognising the pension scheme surplus and, following discussions with the scheme actuaries and company lawyers, have decided to recognise the asset in full. This is mainly due to the fact that the company, ultimately, has an unconditional right to a refund once the trustees are happy that all the schemes liabilities have been paid out and settled in full.

Defined benefit obligation

18 Pension and other schemes (continued)

Changes in the defined benefit obligation are as follows:

	2023 £ 000
Present value at start of year	306,175
Interest cost on the DBO	14,269
Actuarial gains	(10,165)
Disbursements from Plan Assets	(18,040)
Present value at end of year	292,239

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2023 £ 000
Fair value at start of year	339,689
Interest income	8,057
Return on plan assets greater/(less) than discount rate	8,006
Administration costs from plan assets to be expensed separately by employer	(1,052)
Employer contributions	1
Disbursements	(18,040)
Fair value at end of year	336,661

Employee contributions to the scheme have decreased significantly due to all remaining deficit contributions being paid in December 2021.

18 Pension and other schemes (continued)

The amounts recognised in profit or loss are as follows:

	2023 £ 000	2022 £ 000
Net interest from net defined benefit asset/liability	6,212	(1,588)

The amounts recognised in other comprehensive income are as follows:

	2023 £ 000	2022 £ 000
Return on plan assets (excluding interest income)	8,006	(198,240)
Actuarial gain/(loss)	10,165	144,793
	18,171	(53,447)

Analysis of assets

The major categories of scheme assets are as follows:

	2023 %	2022 %
Equity instruments	10	10
Debt instruments	87	89
Other	3	1
	100	100

Return on scheme assets

	2023 £ 000	2022 £ 000
Return on scheme assets	8,006	(198,240)

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Gilts / Government bond expected rate of return is based on the implied benchmark gilt yield at 31 December 2023.

Corporate bond expected rates of return are derived from the yield on AA-rated corporates.

The expected rate of return for debt securities is taken as an average of gilt and corporate bond yields.

Equity expected rate of return is based on an assumed equity risk premium of 4% in excess of the annualised yield on long term Government bonds. The Gilts, Corporate Bonds and Equities which are held in plan assets are quoted and are valued at the current bid price following the adoption of FRS 102.

18 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2023 %	2022 %
Discount Rate	4.50	4.80
Inflation Assumption (RPI)	3.15	3.35
Inflation Assumption (CPI)	2.65	2.85
Rate of increase in payment of pre 06 excess over GMP pensions	3.65	3.75
Rate of increase in payment of post 06 pensions	2.15	2.15

Post retirement mortality assumptions

	2023	2022
Current UK pensioners at retirement age - male	894	938
Current UK pensioners at retirement age - female	424	411
Future UK pensioners at retirement age - male	443	539
Future UK pensioners at retirement age - female	71	78

The employers best estimate of contributions to be paid to the scheme for the next accounting period is £0.

19 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary Shares of £1 each	1,000,003	1,000,003	1,000,003	1,000,003

Holders of these shares are entitled to dividends and are entitled to one vote per share at general meetings of the Company.

Called-up share capital represents the nominal value of shares that have been issued.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

20 Reserves

	Profit and loss account £ 000	Share premium £ 000	Total £ 000
As at 1 January 2023	53,824	98,334	152,158
Profit for the year	3,894	-	3,894
Actuarial gain on pension scheme	10,165	-	10,165
Return on plan assets greater than discount rate	8,006	-	8,006
Current tax on pension liability	(1,213)	-	(1,213)
As at 31 December 2023	74,676	98,334	173,010

21 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £53,335,000 (2022 - £106,000,000).

These relate to the acquisition of property, plant and equipment.

22 Related party transactions

The company is a 100% subsidiary undertaking with all its voting rights controlled within the group headed by O-I Glass Inc. Accordingly, the company has taken advantage of the exemption from making any disclosures relating to transactions with other group companies under FRS 102, paragraph 33.1A. In accordance with the requirements of paragraph 33.10, balances outstanding at the year-end with other group companies were as follows:

	2023 £ 000	2022 £ 000
Parent undertakings	-	-
Subsidiary undertakings	-	-
Immediate parent undertaking	34,673	54,302
Amounts owed by O-I group undertakings	34,673	54,302

Included in the amounts owed by immediate parent undertakings is cash held in a group cash pooling facility managed by O-I European Group BV. The cash of £28,637,001 (2022: £43,402,137) is a short term receivable and O-I Glass Limited has the ability to call upon this balance as and when they see fit. Interest is not charged on this balance.

22 Related party transactions (continued)

	2023 £ 000	2022 £ 000
Parent undertakings	-	-
Subsidiary undertakings	-	-
Immediate parent undertaking	682	535
Amounts due to O-I group undertakings	682	535

Interest is not charged on amounts owed to fellow subsidiary undertakings.

23 Relationship between entity and parents

The ultimate controlling party and parent of the largest group in which these financial statements are consolidated is O-I Glass Inc, incorporated in USA.

The address of O-I Glass Inc is:
One Michael Owens Way
Perrysburg
Ohio
43551
USA

A copy of the accounts of O-I Glass Inc is available from the following address:

Securities and Exchange Commission
Washington D C 20549
USA

The parent of the smallest group in which these financial statements are consolidated is O-I International Holdings Inc, incorporated in USA.

The address of O-I International Holdings Inc is:
One Michael Owens Way
Perrysburg
Ohio
43551
USA

The immediate parent undertaking is O-I European Group B.V.