

Ardagh Glass Limited

Annual Report and Financial Statements  
for the year ended 31 December 2023

Registered number: 00567801



# **Ardagh Glass Limited**

Annual Report and Financial Statements  
for the year ended 31 December 2023

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# **Ardagh Glass Limited**

## **Directors and Advisors**

### **Directors**

M Dick  
J Clarke  
S M Santon  
G Methven

### **Registered office**

Headlands Lane  
Knottingley  
West Yorkshire  
WF11 0HP

### **Independent auditors**

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

### **Solicitors**

DLA Piper UK LLP  
Princes Exchange  
Princes Square  
Leeds  
LS1 4BY

### **Bankers**

Citibank NA  
Canada Square  
Canary Wharf  
London  
E14 5LB

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023

The directors present the strategic report and the audited financial statements of Ardagh Glass Limited ("the Company") for the year ended 31 December 2023. These financial statements are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

### Review of business

The Company's principal activity during the year was the manufacture of glass containers.

The Company is a limited company, domiciled and incorporated in the United Kingdom (England). The Company has four plants in the United Kingdom and no overseas branches. The registered office is also the principal place of business with the address as set out on the previous page.

### Development and performance during the year

The financial results of the Company show a profit for the financial year of £37,653,000 (2022: £42,188,000). At the balance sheet date, the Company has net assets (after including a retirement benefit obligation) of £480,479,000 (2022: £448,369,000).

The Company continues to invest in world class manufacturing facilities with capital expenditure for the financial year of £75,706,000 (2022: £45,721,000) and continues to focus on product quality and customer service in order to maintain its position as a leading UK manufacturer of glass containers.

The Company's key performance indicators during the year were as follows:

|                             | 2023    | 2022    | Change  |
|-----------------------------|---------|---------|---------|
| Turnover £'000              | 561,835 | 514,377 | +9.23%  |
| Operating profit £'000      | 47,129  | 49,047  | -3.91%  |
| Finished goods stock £'000  | 73,465  | 57,287  | +28.24% |
| Number of employees         | 1,457   | 1,455   | +0.14%  |
| Turnover per employee £'000 | 386     | 354     | +9.04%  |
| EBITDA £'000                | 82,172  | 80,719  | +1.80%  |

### Position at the year end

The net book value of tangible fixed assets at 31 December 2023, at £234,866,000 (2022: £190,148,000), has increased by 23.52% during the year. At the balance sheet date, the Company's third-party debtors £63,491,000 (2022: £76,534,000) have decreased by 17.04% during the year due to lower activity towards the end of 2023. Stocks increased by 33.56% year on year.

Current creditors £144,575,000 (2022: £177,698,000) have decreased by 18.64% and non-current creditors £28,951,000 (2022: £26,042,000) have increased by 11.17%.

The Company has a net retirement benefit obligation at the year-end of £72,730,000 (2022: £93,527,000). The decrease of 22.24% in the net liability of the scheme is primarily as a result of: the impact of deficit contributions. The Company has agreed with the scheme's trustees to make a contribution to the scheme during 2024 of £19,200,000 (2022: during 2023 £19,200,000).

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

### Principal risks and uncertainties and financial risks

The principal risks and uncertainties and financial risks within the business are linked to the relative volatility of energy and raw material prices and the degree to which capacity in the UK market restricts the ability to recover higher costs from customers. Consumer preferences may also change and demand for existing products may decline or be replaced by other products, which the Company does not produce. As a result, sales volumes and profitability may decline.

The Company's operations also expose it to a variety of business and financial risks such as foreign exchange rate volatility and higher energy prices. Ardagh Group S.A., the Company's intermediate parent undertaking, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company (and the group) by monitoring levels of debt finance and the related finance costs for the group as a whole.

#### *Commodity price risk*

Production costs are sensitive to the price of energy. Our main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant volatility in recent years with a corresponding effect on our production costs.

As a result of the volatility of gas and electricity prices, the Company has either included energy pass-through clauses in our sales contracts or developed an active hedging strategy to fix a significant proportion of our energy costs through contractual arrangements directly with our suppliers, where there is no energy clause in the sales contract.

Where pass through contracts do not exist, the Company policy is to purchase gas and electricity by entering into forward price fixing arrangements with suppliers for the bulk of our anticipated requirements for the year ahead. Such contracts are used exclusively to obtain delivery of our anticipated energy supplies. The Company does not net settle, nor do we sell within a short period of time after taking delivery. The Company avails of the own use exemption and, therefore, these contracts are treated as executory contracts.

#### *Credit risk*

Credit risk arises from credit exposures to customers, including outstanding receivables. Company policy is to extend credit to customers of good credit standing. Credit risk is managed on an on-going basis, by experienced people within the Company. The Company's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary, and the utilisation of credit limits is regularly monitored. Management does not expect any significant counterparty to fail to meet its obligations.

### Section 172(1) statement

Directors are required by Section 172 of the Companies Act 2006 to act 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. In doing this, Section 172 requires Directors to have regard to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors give careful consideration to these factors in discharging their duties.

#### *Stakeholders*

The Directors engage with key stakeholders to understand their needs, and to establish and maintain a positive relationship. Based on the ISO 26000 guidelines regarding stakeholders, the Directors have identified the Company's stakeholders and a monitoring process has been in place since 2012.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

To translate stakeholders' interests into management processes, core stakeholder groups have been linked with organisational structures, communication activities and procedures, amongst others. These processes help the Company constantly improve stakeholder relationships by using the shared value concept.

The identified stakeholders, and the respective ways in which the Board engages with those stakeholders, are:

- **Industry associations:** Membership of industry associations around the world enable the Board to monitor developments with regard to legislation and to voice its opinion. Engagement achieved through regular exchanges with key associations.
- **Employees:** The Company engages with employees through continuous and regular dialogue with employees individually and collectively through works councils at facility-level, personal development reviews, and an ethics hotline.
- **National and local authorities:** These are engaged through permitting and compliance reviews.
- **Community:** Engagement involves projects, active exchange with the local community, and engagement in local activities.
- **Suppliers:** The Company relies on suppliers, and the availability of goods and services in the market influences the Company's strategy and how it operates. Relationships with suppliers facilitate engagement on sustainability, efficiency, and innovation.
- **Ultimate shareholders of Ardagh Group:** The Board engages with the shareholders through ongoing dialogue, timely reporting, conference participation, and individual engagement.
- **Customers:** Engagement with customers is achieved through ongoing dialogue with customers to deliver sustainability improvements, including through innovation and lightweighting, and through timely feedback on customer surveys.
- **Media:** The Company actively engages with media to promote Ardagh and the Group's sustainability credentials.

### *Governance*

The Board is aware of its duty under Section 172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of members as a whole. The Group's stakeholder engagement activities help to inform the Board's decisions, by ensuring the Directors are aware of stakeholders' interests. The Board takes a long-term view in reaching key decisions, and, when taking decisions, the Board looks to act in the interests of stakeholders as a whole and to ensure all stakeholders are fairly treated.

### *Environment*

The environmental impact of the Company's products, facilities, and supply chain are continually assessed by the Board. The group-wide Environmental Policy is part of the group sustainability strategy and supports the achievement of the group sustainability targets.

Energy management is a core component of our sustainability strategy. In the glass production process, melting accounts for a significant proportion of the total energy consumption. Furnace rebuilds, preventative maintenance, waste heat recovery, air and batch preheating, operational excellence programmes, cullet content increase, and continuous emission monitoring are some of the measures that we have taken to improve the energy efficiency of our glass melting process.

### **Non-financial and sustainability information statement**

#### *Active Risk Management and Responsibilities*

Ardagh Group S.A., of which Ardagh Glass Limited is a subsidiary group company, has adopted a top-down and a bottom-up approach to manage risk.

The top-down approach considers groupwide enterprise level risks, which, should they be unaddressed, could have the potential to exceed Ardagh's capacity to bear risks.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

An Enterprise Risk Management (ERM) Policy has been implemented and a governance structure has been set up. The ERM Committee oversees the top-down approach to assess enterprise level risks and, as defined in the Committee Charter, is composed of Chief Executive Officers of operating businesses (OB) and functions, who own the risks in their respective OB or functional area.

The bottom-up approach considers risks at a local level. These risks have a limited impact on the enterprise but are potentially material to Ardagh Glass Limited.

An Operational Risk & Insurance Committee structure has been established as the governance body composed of the operating business and functional representatives as defined in the Committee Charter. The Operational Risk & Insurance Committee reports into the ERM Committee.

Risk identification is the first step of the risk management process. It is essential for awareness of potential material risks and to initiate treatment actions to mitigate them.

As part of the ERM top-down approach, new risks are identified from external emerging risk reports, audit findings, investigations, or incidents. As part of the bottom-up approach risks are identified by the operations when reviewing their operational risk assessments (ORA) on a biennial basis. OBs use local weather and natural disaster alert mechanisms to identify approaching natural hazard events (such as windstorms, flooding, wildfires or black ice) and to initiate emergency preparedness of respective facilities at risk.

By conducting or reviewing existing risk assessments Ardagh can identify and manage its risks effectively, prioritise actions and thereby reducing the likelihood and impact of negative outcomes. When assessing risks, it considers top-down and bottom-up perspectives to its business. The Group Risk Team is responsible to support operating businesses and functions in their risk assessments.

ERM risk assessment is an important part of the overall ERM process and defined by the ERM policy. The risks and their potential impacts are assessed on enterprise level annually. The ERM risk assessment is overseen and conducted by the ERM Committee, that decides on what level of risk to tolerate and what risks to reduce by treatment actions.

ORAs are used by Ardagh Glass Limited at the plant level. Operational risks are assessed and reviewed every second year or after material operational changes, in the Ardagh Risk Management System (ARMS) ORAs document the analysis of inherent, current and, based on the risk tolerance, future risk exposure. Each ORA must be validated by the accountable plant leadership. OBs' risk leaders ensure that the outcome of their OB's ORAs is reviewed and presented to the OB's leadership to ensure alignment on risk tolerance and treatment actions.

Ardagh monitors risks on an ongoing basis to ensure that they are effectively managed. This involves identifying and assessing risks, implementing appropriate action plans, and reviewing the effectiveness of risk controls on a regular basis.

Following the top-down approach, the ERM Committee is responsible to monitor enterprise level risks. The Audit Committee of the Board is updated with regular risk updates and annually provided with an ERM risk report.

The Operational Risk & Insurance committee oversees the monitoring of operational and insurance risks.

Incident and risk reports are issued and provided to the OBs for management reviews in the areas of health and safety, environmental management, property loss and business interruption incidents, risk engineering and insurance findings and operational Risk Assessments. OBs monitor plant exposure from security or natural peril event alerts.

### *Risks related to climate change*

Climate change may adversely affect Ardagh Glass Limited's ability to conduct our business, including the availability and cost of resources required for our production processes.

There continues to be a growing concern that carbon dioxide and other greenhouse gases (GHG) in the atmosphere may have an adverse impact on global temperatures, weather and precipitation patterns and the frequency and severity of extreme weather conditions and natural disasters.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

The impact of climate change presents immediate and long-term risks of loss arising from climate change to us, and the markets in which we operate, which are expected to increase over time.

Climate risks consist of physical risks and transition risks, either of which may materially adversely affect our ability to conduct our business.

Our operations could be exposed to physical risks resulting from chronic and acute climate change and extreme weather-related events, such as increased storms, drought, fires, hurricanes, tornadoes or floods, which may directly damage our physical assets (such as facilities and materials) or otherwise impact their value or productivity, cause raw material shortages (including energy supply) and supply chain disruptions (including delivery) and increase production cost and health and safety risks, among other risks.

In addition, unseasonal extreme weather can reduce demand for certain beverages, or can adversely impact fruit and vegetable crop harvests and, as a result, our products.

We are not able to accurately predict the materiality of any potential losses or costs associated with the effects of climate change, and the impact of climate change may also vary by geographic location and other circumstances, including weather patterns.

We could also be exposed to transition risks resulting from changes in policy, technology and market preference to address climate change, such as carbon pricing policies, including increased prices for certain fuels, including natural gas and the introduction of a carbon tax, and power generation shifts from fossil fuels to renewable energy, which may lead to changes in the value of assets. In addition, measures to address climate change through laws and regulations, for example by requiring reductions in emissions of GHGs or introducing compliance schemes, could create economic risks and uncertainties for our businesses, by increasing GHG-related costs, such as the cost of abatement equipment to reduce emissions to comply with legal requirements on GHG emissions or required technological standards, or reducing demand for our products, any of which could have a material adverse effect on Ardagh Glass Limited's business, financial condition and results of operations.

Ardagh Glass Limited consumes significant amounts of raw materials in the manufacturing process, in particular, silica sand, limestone and soda ash (natural or synthetic). Recycled glass is a key raw material that is used in varying percentages, depending on the type of glass manufactured and the availability of recycled glass in a particular market.

The price, quality and availability of recycled glass varies widely from one region to another and is dependent on a number of factors, including glass collection and its effectiveness and the distance of our production sites to population centres where the waste glass is collected and processed. The demand for secondary materials in general is increasing due to more ambitious CO<sub>2</sub> legislation and customers, consumers and legislators seeking higher levels of recycled content to meet consumer aspirations and therefore recycled glass is becoming more scarce. Any significant increase in the price of the raw materials we use to manufacture glass could have a material negative impact on our business, financial condition and results of operations.

In 2022, Ardagh Group S.A. received approval from the SBTi (Science Based Targets Initiative) for GHG emission reduction targets to reduce Scope 1 and 2 GHG emissions by 42% and to reduce absolute Scope 3 GHG emissions by 12% by 2030. Ardagh Glass Limited's operations are covered in these targets. Our glass production process generates significant CO<sub>2</sub> emissions.

Ardagh Glass Limited's ability to meet our sustainability targets also depends to an extent on market or competitive conditions that are outside our control, as well as expectations and assumptions that are necessarily uncertain. Failure to meet our SBTi targets and reduce our emissions, or failure to meet any of our other sustainability targets, could result in increased costs for us in the form of carbon taxes, and could have a material adverse effect on our reputation, customer and investor relationships, or ability to access capital on favourable terms, particularly given investors' focus on environmental, social and governmental matters. Failure to transition to low carbon manufacturing in the future could result in dedicated action by climate activists which could cause reputational damage or business interruption.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

### *Opportunities and Resilience*

Sustainability is a core part of Ardagh Group S.A. and as such Ardagh Glass Limited's business, and our sustainability strategy is built upon three pillars – Emissions, Ecology and Social, which focuses on reducing our GHG emissions and ecological impact, while supporting our people and the communities where we do business. Our focus on sustainability has been recognized by various external organisations. In 2023, we were awarded our second consecutive platinum rating from EcoVadis. In addition, Ardagh Glass Packaging, which includes Ardagh Glass Limited, received a B rating for both water management and climate change from CDP (formerly the Carbon Disclosure Project).

In 2022 Ardagh Group S.A. conducted a climate scenario Analysis in partnership with KPMG to evaluate 4°C and 1.5°C scenario pathways representing a "Business-as-usual" and a "Paris-aligned" trajectory.

Regarding physical risks all sites of Ardagh Group S.A. have been analysed and priority sites identified for business continuity importance, two of them belonging specifically to Ardagh Glass Limited (Barnsley and Doncaster). Ardagh's exposure to future physical hazards are sea level rise and riverine flooding although in general these are considered relatively low risk even in the event of a 4°C scenario. Neither of Ardagh Glass Limited's priority sites are affected.

The Emissions pillar of our sustainability strategy aligns to the SBTi and aims to minimize Ardagh's GHG emissions and other potential emissions to air. We are targeting to reduce our Scope 1, 2, and 3 GHG emissions by 2030 from a 2020 baseline, in line with the Paris Climate Agreement of 2015, under which select governments pledged to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. These targets were approved by the SBTi in 2022.

For details regarding targets, metrics, and KPI monitoring, we refer to the annually updated, Sustainability Report for the Ardagh Group (<https://www.ardaghgroup.com/pdf/pdfs/sustainability-report.pdf>).

Ardagh Glass Limited is committed to both reduce its energy consumption and to switch to more sustainable sources of energy for its own operations (scopes 1 and 2). Ardagh Glass Limited currently purchases 100% CO<sub>2</sub> free electricity. Ardagh is also working on reducing the energy consumption throughout its value chain (scope 3), through working with its suppliers and logistic partners, reducing its consumption of raw materials and sourcing recycled glass (which requires less energy during the manufacturing of packaging containers).

As an energy intensive business, we strive to continuously improve our energy baseline. To realise this and be compliant with local requirements (especially those from various regional emission trading schemes) we have implemented ISO 50001 management systems in all Ardagh Glass Limited's manufacturing facilities.

Ardagh is committed to use raw materials that are sustainably and ethically sourced. Ardagh's suppliers must comply with the organisation's Responsible Procurement Policy that outlines requirements for Ardagh's suppliers regarding key social, ethical and environmental topics. For example, suppliers are required to have waste management processes in place, to move away from non-renewable energy sources when feasible and to conduct a suitable supply chain risk assessment to ensure they manage their supply chain responsibly. To ensure compliance with the Responsible Procurement Policy Ardagh has implemented a supplier assessment process. Depending on the outcome of the risk assessment, Ardagh may request an onsite sustainability assessment. We define the basic principles in our Responsible Procurement Policy to ensure that all suppliers are engaged in our GHG emission reduction efforts. However, it is not feasible to assess all suppliers due to the complexity of data gathering among all supply chains. Therefore, these suppliers were selected based on strategic importance and our critical category.

Our emissions pillar has focused on renewables projects—with major solar developments in our facility in Scotland, in addition to significant facilities upgrades resulting in greater energy efficiency.

Ardagh Group S.A. has also invested in researching technologies that provide opportunities for Ardagh Glass Limited. A NextGen furnace, based in Germany and owned by Ardagh Glass GmbH, is a potentially industry transforming project reducing emissions by up to 60% through the use of up to 80% electricity for the melting process. This technology, if successful, may provide emission reducing opportunities for Ardagh Glass Limited's future furnace developments.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

In 2022, Ardagh announced a partnership with a leading spirits producer in our Ardagh Glass Limmared AB facility where we intend to replace 20% of our natural gas with green hydrogen. Successful implementation of this process may provide opportunities to utilise the same methods in Ardagh Glass Limited's manufacturing sites to reduce our CO<sub>2</sub>.

We are also dependent on enabling conditions that fall under the responsibility of the government. A necessary prerequisite for enabling the electrification of glass melting is a secure, permanent, and uninterrupted supply of the required electrical power capacity at the required energy level. Additionally, the electrical energy must be generated from renewable sources to avoid shifting CO<sub>2</sub> emissions from the site to the electricity power supplier.

In the longer term, for maximum decarbonisation, the proportion of natural gas in a NextGen furnace must be replaced by hydrogen. A prerequisite for this is the establishment of hydrogen infrastructure.

Ardagh Group S.A. is monitoring emerging technology based on the Technology Readiness Level and evaluates such technology for usage in Ardagh Glass Limited operations e.g. the possible use of fully electric melting based on the site conditions.

Our active engagement with industrial associations on UK and global level means we are able to gain necessary knowledge to prepare our business for future climate-related regulations.

# Ardagh Glass Limited

## Strategic Report for the year ended 31 December 2023 (continued)

### Energy usage and greenhouse gas emissions

Disclosures are made below of the Company's energy usage and greenhouse gas emissions in line with the requirements of the government's Streamlined Energy and Carbon Reporting, effective 1 April 2020.

Energy consumption is measured in kilowatt-hours (kWh). A financial approach has been applied and the actual consumption is provided by energy suppliers and consists of the following:

- Electricity purchased by the Company for its own use, including for the purposes of transport;
- Gas usage from stationary or mobile activities for which the Company is responsible; and
- Consumption of fuel for the purposes of transport where the Company is responsible for purchasing fuel.

For CO<sub>2</sub> emissions, an operational approach has been followed. The actual CO<sub>2</sub> emissions recorded have been reported with the 2023 conversion factor applied.

Greenhouse gas emissions are measured in tonnes of carbon-dioxide equivalent (tCO<sub>2</sub>e).

We have followed the UK Government environmental reporting guidance, and we have used the UK Government's Conversion Factors for Company Reporting in determining the energy consumption and greenhouse gas emissions.

|                                                                     | 2023          | 2022          |
|---------------------------------------------------------------------|---------------|---------------|
| Energy consumption in kWh used to calculate emissions               | 1,807,612,320 | 2,066,408,439 |
| Emissions from purchased electricity (tCO <sub>2</sub> e)           | -             | -             |
| Emissions from combustion of gas (tCO <sub>2</sub> e)               | 277,249       | 313,566       |
| Emissions from combustion for process purposes (tCO <sub>2</sub> e) | 78,256        | 100,253       |
| Total emissions (tCO <sub>2</sub> e)                                | 355,505       | 413,819       |
| Intensity ratio: tCO <sub>2</sub> e per £1m revenue                 | 632.76        | 804.50        |

In a bid to become more energy efficient, a number of energy projects were carried out throughout 2023:

- Solar panel installation
- Furnace repairs
- General optimisation projects.

In addition, the Company is accredited to ISO 50001 (Energy Management).

### Culture and values

Culture, values, and standards underpin how the Company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. They also guide and assist in decision-making, and thereby help promote the Company's success, recognising, amongst other things, the likely consequences of any decision in the long term and wider stakeholder considerations. The Board sets the values and standards, required of all employees, through the Company's Code of Conduct.

Approved by and signed on behalf of the Board

J Clarke  
Director

23 September 2024

# Ardagh Glass Limited

## Directors' Report for the year ended 31 December 2023

### Directors

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

M Rozmus (Resigned 24 June 2024)  
M Dick  
J Clarke  
J M Petersson (Resigned 24 June 2024)  
S M Santon  
H Bonne (Resigned 24 June 2024)  
G Methven

### Future developments

Demand for the Company's products remains strong. The Company will continue to invest in world class manufacturing facilities and will continue to focus on product quality and customer service in order to maintain its position as a leading UK manufacturer of glass containers.

### Dividends

During the year the Company paid an interim dividend of £10,000,001 (2022: £10,000,000). The Directors do not recommend the payment of a final dividend (2022: £nil).

### Political and charitable donations

Charitable donations totalling £81,433 (2022: £103,685) were made to local and national charities. The Company made no political donations during 2023 (2022: £nil).

### Research and development

The Company recognised £541,000 (2022: £584,000) as an expense in the year, in relation to research and development. The Company participates in research and development activities in conjunction with its fellow undertakings in the group.

### Employees

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, colour, disability, or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its position in the market. The Company encourages the involvement of employees by means of consultative procedures enabling management and other employees to discuss matters of mutual interest, including health and safety. Through these procedures, departmental channels and the online news centre, employees are kept informed about the Company's activities.

# Ardagh Glass Limited

## Directors' Report for the year ended 31 December 2023 (continued)

### Directors' indemnity

The Company has entered into indemnity arrangements for the benefit of all its directors in relation to certain losses and liabilities which they may incur to third parties in the course of acting as directors of the Company and in compliance with the requirements of the Companies Act 2006. This qualifying third party indemnity provision was in force during the financial year and at the date of approval of these financial statements.

### Financial risk management

An overview of the Company's financial risk management is provided in the principal risks section within the Strategic Report above.

### 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 101 "Reduced Disclosure Framework", 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 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### 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.

# Ardagh Glass Limited

## Directors' Report for the year ended 31 December 2023 (continued)

### Directors' duties

The board of directors of the Company consider, both individually and together, 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 2023.

Directors are regularly briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. Please see the "Section 172(1) statement" section within the Strategic Report for a summary of how the Directors fulfilled their duties.

### Stakeholder engagement

Engagement with employees and other stakeholders is summarised in the "Section 172(1) Statement" section within the Strategic Report.

### Going concern

The Company meets its day-to-day working capital requirements through access to funds as part of the Ardagh Group's cash pooling arrangement that is administered through Ardagh Treasury Limited, a fellow group company, which acts as an internal bank for Ardagh Group S.A. subsidiaries. Under the cash pooling arrangements, there is no cash held by the Company, all balances are 'swept' to Ardagh Treasury Limited at the end of business on each day. The Company is wholly dependent on this cash pooling arrangement for access to the cash flows necessary for the day-to-day running of the Company and to support the going concern assertion.

After reviewing the Company's forecasts and projections, together with the strong net asset position, current and anticipated levels of available liquidity the Board has formed the judgment that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. In assessing whether the going concern assumption is appropriate, the Board has taken into account all available information about a period of at least 12 months from the date of approval of the financial statements.

Furthermore, the Board believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, Ardagh Group S.A.

### Independent auditors

An elective resolution has been passed to maintain PricewaterhouseCoopers LLP as auditors until such time as the Board decides otherwise.

On behalf of the Board



J Clarke  
Director  
23 September 2024

# **Ardagh Glass Limited**

## **Independent auditors' report to the members of Ardagh Glass Limited**

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

#### **Opinion**

In our opinion, Ardagh Glass Limited's financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2023; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### **Basis for opinion**

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

#### **Independence**

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

#### **Conclusions relating to going concern**

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

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.

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

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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# **Ardagh Glass Limited**

## **Independent auditors' report to the members of Ardagh Glass Limited (continued)**

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 2023 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.

# Ardagh Glass Limited

## Independent auditors' report to the members of Ardagh Glass Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, 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 posting journal entries to manipulate financial performance and bias within management's estimates and assumptions. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance to understand the relevant laws and regulations applicable to the company, and their assessment of fraud related risks;
- identifying and testing journal entries using a risk-based targeted approach;
- reviewing financial statement disclosures and testing to supporting documentation where appropriate to assess compliance with applicable laws and regulations; and
- challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias), including the assumptions underpinning the defined benefit pension obligation.

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.

*Victoria Coe*

Victoria Coe (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
24 September 2024

# Ardagh Glass Limited

## Profit and Loss Account for the year ended 31 December 2023

|                                                       |      | 2023           | 2022      |
|-------------------------------------------------------|------|----------------|-----------|
|                                                       | Note | £'000          | £'000     |
| <b>Turnover</b>                                       | 2    | <b>561,835</b> | 514,377   |
| Cost of sales                                         |      | (483,322)      | (439,125) |
| <b>Gross profit</b>                                   |      | <b>78,513</b>  | 75,252    |
| Administrative expenses                               |      | (31,384)       | (26,205)  |
| <b>Operating profit</b>                               | 3    | <b>47,129</b>  | 49,047    |
| <b>Analysed as</b>                                    |      |                |           |
| <b>EBITDA</b>                                         |      | <b>82,172</b>  | 80,719    |
| Depreciation                                          | 3    | (30,988)       | (31,892)  |
| Amortisation of government grants                     | 3    | 219            | 220       |
| Exceptional Costs                                     | 3    | (4,274)        | -         |
| <b>Operating profit</b>                               | 3    | <b>47,129</b>  | 49,047    |
| Interest receivable and similar income                | 4    | 11,931         | 10,459    |
| Interest payable and similar expenses                 | 4    | (9,714)        | (4,893)   |
| Foreign exchange gain/(loss) on intercompany balances | 4    | 257            | (383)     |
| <b>Profit before taxation</b>                         |      | <b>49,603</b>  | 54,230    |
| Tax on profit                                         | 5    | (11,950)       | (12,042)  |
| <b>Profit for the financial year</b>                  |      | <b>37,653</b>  | 42,188    |

All of the results in 2023 and 2022 relate to those of continuing operations.

EBITDA is defined as earnings generated from glass manufacture and distribution operations before interest, tax depreciation, amortisation, and royalties.

The notes on pages 19 to 37 are an integral part of these financial statements.

**Ardagh Glass Limited**  
Registered number: 00567801

# Ardagh Glass Limited

## Statement of Comprehensive Income for the year ended 31 December 2023

|                                                                       | Note | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------------------------------------------------------|------|---------------|---------------|
| <b>Profit for the financial year</b>                                  |      | <b>37,653</b> | <b>42,188</b> |
| <b>Other comprehensive income</b>                                     |      |               |               |
| <b>Items that will not be reclassified to profit or loss:</b>         |      |               |               |
| Remeasurements of gain post-employment benefit obligations            | 16   | 6,034         | 28,248        |
| Deferred tax on remeasurements of post-employment benefit obligations | 12   | (1,508)       | (7,062)       |
| <b>Other comprehensive income for the year, net of tax</b>            |      | <b>4,526</b>  | <b>21,186</b> |
| <b>Total comprehensive income the year</b>                            |      | <b>42,179</b> | <b>63,374</b> |

Cumulative remeasurement losses on the pension scheme amount to £114,322,000 (2022: £120,356,000) recognised directly in the Statement of Comprehensive Income.

The notes on pages 19 to 37 are an integral part of these financial statements.

# Ardagh Glass Limited

## Balance Sheet as at 31 December 2023

|                                                                 |      | 2023             | (restated)<br>2022 |
|-----------------------------------------------------------------|------|------------------|--------------------|
|                                                                 | Note | £'000            | £'000              |
| <b>Fixed assets</b>                                             |      |                  |                    |
| Tangible assets                                                 | 6    | 234,866          | 190,148            |
|                                                                 |      | <b>234,866</b>   | <b>190,148</b>     |
| <b>Current assets</b>                                           |      |                  |                    |
| Cash at bank and in hand                                        | 7    | 63,024           | 74,022             |
| Debtors                                                         | 8    | 333,084          | 409,955            |
| Stocks                                                          | 9    | 96,076           | 71,937             |
|                                                                 |      | <b>492,184</b>   | <b>555,914</b>     |
| <b>Creditors – amounts falling due within one year</b>          | 10   | <b>(144,575)</b> | <b>(177,698)</b>   |
| <b>Net current assets</b>                                       |      | <b>347,609</b>   | <b>378,216</b>     |
| <b>Total assets less current liabilities</b>                    |      | <b>582,475</b>   | <b>568,364</b>     |
| <b>Creditors – amounts falling due after more than one year</b> | 11   | <b>(28,951)</b>  | <b>(26,042)</b>    |
| <b>Provisions for liabilities</b>                               |      |                  |                    |
| Provisions for liabilities                                      | 13   | (315)            | (426)              |
| Retirement benefit obligations                                  | 16   | (72,730)         | (93,527)           |
| <b>Net assets</b>                                               |      | <b>480,479</b>   | <b>448,369</b>     |
| <b>Capital and reserves</b>                                     |      |                  |                    |
| Called-up share capital                                         | 14   | 23,243           | 23,243             |
| Share premium account                                           |      | 6,264            | 6,264              |
| Profit and loss account                                         |      | 450,972          | 418,862            |
| <b>Total shareholders' funds</b>                                |      | <b>480,479</b>   | <b>448,369</b>     |

The balance sheet has been restated to bring it into line with Companies Act requirements. This only impacts the subtotals and presentation of the line items. Please refer to note 22 for further details.

The notes on pages 19 to 37 are an integral part of these financial statements.

The financial statements of the Company (registered number: 00567801) on pages 15 to 37 were approved by the Board of Directors on 23 September 2024 and were signed on its behalf by:

  
J Clarke  
Director

# Ardagh Glass Limited

## Statement of Changes in Equity for the year ended 31 December 2023

|                                                                           | Called-up<br>share<br>capital | Share<br>premium<br>account | Profit<br>and loss<br>account | Total<br>shareholders'<br>funds |
|---------------------------------------------------------------------------|-------------------------------|-----------------------------|-------------------------------|---------------------------------|
|                                                                           | £'000                         | £'000                       | £'000                         | £'000                           |
| <b>At 1 January 2022</b>                                                  | <b>23,243</b>                 | <b>6,264</b>                | <b>365,488</b>                | <b>394,995</b>                  |
| <b>Profit for the financial year</b>                                      | -                             | -                           | 42,188                        | 42,188                          |
| Actuarial gain on retirement benefit obligation (note 16)                 | -                             | -                           | 28,248                        | 28,248                          |
| Deferred tax on actuarial gain on retirement benefit obligation (note 12) | -                             | -                           | (7,062)                       | (7,062)                         |
| Dividends paid (note 19)                                                  | -                             | -                           | (10,000)                      | (10,000)                        |
| <b>At 31 December 2022</b>                                                | <b>23,243</b>                 | <b>6,264</b>                | <b>418,862</b>                | <b>448,369</b>                  |
| <b>At 1 January 2023</b>                                                  | <b>23,243</b>                 | <b>6,264</b>                | <b>418,862</b>                | <b>448,369</b>                  |
| <b>Profit for the financial year</b>                                      | -                             | -                           | 37,653                        | 37,653                          |
| IFRS 16 liability alignment                                               | -                             | -                           | (69)                          | (69)                            |
| Actuarial gain on retirement benefit obligation (note 16)                 | -                             | -                           | 6,034                         | 6,034                           |
| Deferred tax on actuarial gain on retirement benefit obligation (note 12) | -                             | -                           | (1,508)                       | (1,508)                         |
| Dividends paid (note 19)                                                  | -                             | -                           | (10,000)                      | (10,000)                        |
| <b>At 31 December 2023</b>                                                | <b>23,243</b>                 | <b>6,264</b>                | <b>450,972</b>                | <b>480,479</b>                  |

The notes on pages 19 to 37 are an integral part of these financial statements.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023

### 1 Material accounting policies

The material accounting policies adopted 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. These financial statements were prepared on a going concern basis.

#### Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act) as appropriate to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. The Company is a private company limited by shares.

The Company is a qualifying entity for the purposes of FRS 101. Note 20 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows (IAS 1.10(d))
- Capital risk management (IAS 1.134-136)
- Related party transactions (IAS 24)
- Financial instruments (IFRS 7)
- Accounting policies issued but not yet effective (IAS 8.30-31)
- Change in accounting policy, retrospective restatement or reclassification (IAS 1 para 40A-D)

The financial statements have been prepared under the historical cost convention. A summary of the accounting policies is set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The key accounting policies for the Company pertain primarily to turnover recognition, pensions and provisions which are described in further detail below.

The Company is a wholly-owned subsidiary of Ardagh Group S.A. and is included in the consolidated financial statements of Ardagh Group S.A. which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

#### Critical accounting estimates, assumptions, and judgments

The preparation of financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses. It also requires management to exercise judgment in the process of applying accounting policies. These estimates, assumptions and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below.

#### Critical accounting estimates and assumptions: Lease term

Several lease agreements include renewal and termination options. The Company assesses all facts and circumstances that create an economic incentive to exercise a renewal option, or not exercise a termination option. Renewal options (or periods after termination options) are only included in the lease term if the conclusion is that the lease is reasonably certain to be renewed (or not terminated). The lease term is reassessed if an option is actually

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 1 Material accounting policies (continued)

#### Critical accounting estimates and assumptions: Lease term (continued)

exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

#### Critical judgements in applying the Company's accounting policies: Measurement of employee benefit obligations

The Company follows guidance of IAS 19 to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations. The Company values its liabilities, with the assistance of professional actuaries, to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 16.

#### Recent accounting pronouncements

The impact of new standards, amendments to existing standards, and interpretations issued and effective for annual periods beginning on or after 1 January 2023 have been assessed by the Directors; no new standards or amendments to existing standards effective 1 January 2023 are currently relevant for the Company. The Directors' assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Company, on the financial statements and disclosures is on-going.

#### Turnover

Turnover represents amounts receivable for goods and supplies invoiced to the UK and overseas. Turnover is recognised when control of goods and supplies has transferred to the customer. The Company recognises turnover when control passes to the customer, predominantly on dispatch of the goods, net of any related customer rebates, cash discounts and value added taxes. Turnover is recognised based on prices specified in contracts with customers.

The Company usually enters into framework agreements with its customers, which establish the terms under which individual orders to purchase goods or services may be placed. As the framework agreements do not identify each party's rights regarding the goods or services to be transferred, they do not create enforceable rights and obligations on a standalone basis. Therefore, the Company has concluded that only individual purchase orders create enforceable rights and obligations and meet the definition of a contract in IFRS 15. The individual purchase orders have, in general, a duration of one year or less and, as such, the Company does not disclose any information about remaining performance obligations under these contracts. The Company's payment terms are in line with customary business practice, which can vary by customer and region. The Company has availed of the practical expedient from considering the existence of a significant financing component as, based on past experience, we expect that, at contract inception, the period between when a promised good is transferred to the customer and when the customer pays for that good will be one year or less.

#### Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

At the lease commencement date or the effective date of a lease modification, the Company recognises a lease liability as the present value of expected future lease payments, discounted at the Company's incremental borrowing rate unless the rate implicit in the lease is readily determinable, excluding any amounts which are variable based on the usage of the underlying asset and a right-of-use asset generally at the same amount plus any directly attributable costs. The Company combines lease and non-lease components and accounts for them as a single lease component. Extension options or periods after termination options are considered by management if it is reasonably certain that the lease will be extended or not terminated.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 1 Material accounting policies (continued)

#### Tangible assets

Property, plant and equipment (excluding right-of-use assets) is carried at cost less accumulated depreciation and impairment losses. Cost represents the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use. No provision is made for depreciation on freehold land. Depreciation is calculated so as to write off the cost less estimated residual value of assets on a straight-line basis over the expected useful economic lives, commencing when the assets are first brought into use.

The principal annual rates used for this purpose are:

|                                 |                                                                                       |
|---------------------------------|---------------------------------------------------------------------------------------|
| Freehold buildings              | 50 years                                                                              |
| Plant, machinery, and equipment | 3 - 20 years                                                                          |
| Equipment and vehicles          | 3 - 10 years                                                                          |
| Moulds                          | 1 - 3 years                                                                           |
| Pallets                         | 5 years                                                                               |
| Assets under construction       | Not depreciated until brought into use and reclassified into one of the classes above |

The Company presents right-of-use assets within the same financial statement line item as the corresponding underlying assets would be presented if they were owned and depreciates the same over the expected lease term.

The residual values and the remaining useful economic lives are reviewed on an annual basis.

Assets are tested for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Costs include expenditure which is incurred in the normal course of business in bringing the product to its present location and condition and a due proportion of labour and overhead expenses. Net realisable value is the estimated selling price less all further costs to completion and estimated selling costs.

Provision is made for obsolete, slow moving, and defective stock.

#### Cash at bank and in hand

Cash at bank and in hand comprise deposits with banks and bank and cash balances. In the Balance Sheet, bank overdrafts are included in borrowings in current liabilities.

#### Employee benefit costs

The Company accounts for pensions under IAS 19 'Employee Benefits' (revised). In respect of defined benefit plans (pension plans that define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation), obligations are measured at discounted present value whilst plan assets are recorded at fair value. The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the net of the plan obligations and assets. No allowance is made in the past service liability in respect of either the future expenses of running the schemes or for non-service related death in service benefits which may arise in the future. The operating costs of such plans are charged to operating profit and the finance costs are recognised as financial income or an expense as appropriate. Service costs are spread systematically over the lives of employees and financing costs are recognised in the periods in which they arise. Remeasurements are recognised in the Statement of Comprehensive Income. Payments to defined contribution schemes (pension plans under which the Group pays fixed contributions into a separate entity) are charged as an expense as they fall due.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 1 Material accounting policies (continued)

#### Employee benefit costs (continued)

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high quality (AA rated) bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions; additional information is disclosed in note 16.

#### Current taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Deferred taxation

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### Repairs and renewals

All expenditure on repairs and renewals is expensed as incurred.

#### Interest receivable and payable

Interest receivable and similar income comprises interest income on amounts owing by group companies and net foreign currency translation gains.

Interest payable and similar expenses comprises interest expense on borrowings, lease liabilities, net foreign currency translation losses, net interest cost of net pension plan liabilities, and other finance expenses.

#### Share capital

Ordinary shares are classified as equity.

#### Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other creditors are measured at amortised cost and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 1 Material accounting policies (continued)

#### Dividends

Dividends are recorded in the financial statements once they have been authorised and the Company is committed to making the payment. Interim dividends are recorded when paid.

#### Foreign currencies

Foreign currency transactions during the year are translated into sterling at the rates of exchange in force at the time they arise. Both the functional and presentational currency is sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Translation differences are taken to the Profit and Loss Account.

#### Debtors

Debtors are recognised initially at fair value less provision for impairment. A provision for impairment of a debtor 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 debtor. Debtors are subsequently measured at amortised cost using the effective interest method.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within the same period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Significant financial difficulties of individual debtors, probability that debtors will enter bankruptcy, and financial reorganisation are also considered when measuring expected credit losses.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Profit and Loss Account within "administrative expenses".

When a debtor is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the Profit and Loss Account.

Other debtors consist of amounts due from group companies, prepayments, and corporation tax receivable. Other debtors are measured at amortised cost. Other debtors are classified as current assets if payment is due within one year or less. If not, they are presented as non-current assets.

#### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation.

#### Exceptional items

Exceptional items are those items which the directors consider necessary to disclose separately for the users of the financial statements to obtain a full understanding of the result for the year.

#### Borrowings

Costs of borrowing are expensed directly in the Profit and Loss Account.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 1 Material accounting policies (continued)

#### Government grants

Capital government grants are recorded when they are received, and are presented as deferred income. They are amortised to the income statement over the life of the asset to which they represent a contribution. The company will comply with the conditions attached to them. Any amount which is expected to be repaid is not amortised.

The relevant grant should be considered as part of the cost of the asset in the event of impairment or disposal.

#### Going concern

The Company meets its day-to-day working capital requirements through access to funds as part of the Ardagh Group's cash pooling arrangement that is administered through Ardagh Treasury Limited, a fellow group company, which acts as an internal bank for Ardagh Group S.A. subsidiaries. Upon the Company's request for funds, Ardagh Treasury Limited will transfer monies as required. Under the cash pooling arrangements, balances are 'swept' to Ardagh Treasury Limited at the end of business on each day. The Company is wholly dependent on this cash pooling arrangement for access to the cash flows necessary for the day-to-day running of the Company and to support the going concern assertion.

After reviewing the Company's forecasts and projections, together with current and anticipated levels of available liquidity, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were authorised for issue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements have been prepared on a going concern basis.

### 2 Turnover

The directors consider that the operations of the Company fall into one business class, being the manufacture of glass containers.

The analysis of turnover by geographical destination is as follows:

|                          | 2023<br>£'000  | 2022<br>£'000  |
|--------------------------|----------------|----------------|
| United Kingdom           | 536,216        | 462,677        |
| Other European Countries | 19,171         | 42,786         |
| Rest of the World        | 6,448          | 8,914          |
|                          | <b>561,835</b> | <b>514,377</b> |

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 3 Operating profit

|                                                                                              | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------------------------------------------------------------|---------------|---------------|
| The following items have been charged/(credited) in arriving at operating profit:            |               |               |
| Employee benefit expenses (note 15)                                                          | 88,713        | 90,016        |
| Depreciation of property, plant and equipment:                                               |               |               |
| - owned                                                                                      | 24,043        | 23,999        |
| - right of use assets                                                                        | 6,945         | 7,893         |
| FX (gains)/losses                                                                            | (312)         | 813           |
| Exceptional Costs: Redundancy costs*                                                         | 4,274         | -             |
| Government grants released                                                                   | (219)         | (220)         |
| Repairs and maintenance costs on property, plant and equipment                               | 13,224        | 11,261        |
| Research and development expenditure                                                         | 541           | 584           |
| Services provided by the Company's auditors:                                                 |               |               |
| - Fees payable for the audit of the Company's and associated companies' financial statements | 301           | 271           |

\*The exceptional costs are in respect of capacity realignments made during the year.

### 4 Interest receivable and similar income, Interest payable and similar expenses, and Foreign exchange (gain)/ loss on intercompany balances

|                                                                    | 2023<br>£'000 | 2022<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| <b>Interest payable and similar charges:</b>                       |               |               |
| Interest payable on supply chain finance                           | 3,258         | 1,184         |
| Finance charges                                                    | 381           | -             |
| Interest payable on balances with group undertakings               | 18            | 13            |
| Interest payable on lease liabilities                              | 1,867         | 1,436         |
| Other finance costs (note 16)                                      | 4,190         | 2,260         |
|                                                                    | 9,714         | 4,893         |
| <b>Interest receivable and similar income:</b>                     |               |               |
| Interest receivable on balances with group and parent undertakings | (11,854)      | (10,223)      |
| Other interest receivable                                          | (77)          | (236)         |
|                                                                    | (11,931)      | (10,459)      |
| <b>Foreign exchange (gain)/ loss on intercompany balances</b>      | <b>(257)</b>  | <b>383</b>    |
| Net interest receivable                                            | (2,474)       | (5,183)       |

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 5 Tax on profit

| Analysis of charge in the year                                       | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------------------------------------|---------------|---------------|
| Current tax - continuing operations                                  |               |               |
| - UK corporation tax on profits of the year                          | 2,915         | 6,817         |
| - Adjustment in respect of prior years                               | (1,369)       | (870)         |
| <b>Total current tax</b>                                             | <b>1,546</b>  | <b>5,947</b>  |
| Deferred tax – continuing operations                                 |               |               |
| - Origination and reversal of timing differences                     | 9,344         | 4,650         |
| - Adjustment in respect of prior years                               | 1,060         | 1,445         |
| <b>Total deferred tax expense</b>                                    | <b>10,404</b> | <b>6,095</b>  |
| <b>Taxation on profit</b>                                            | <b>11,950</b> | <b>12,042</b> |
| <b>Tax on items charged to equity</b>                                |               |               |
| Deferred tax charge on actuarial gain (2022: gain) in year (note 12) | 1,508         | 7,062         |

The tax expense for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 23.5% (2022: 19%). The differences are explained below:

|                                                                              | 2023<br>£'000 | 2022<br>£'000 |
|------------------------------------------------------------------------------|---------------|---------------|
| Profit before tax                                                            | 49,603        | 54,230        |
| Profit multiplied by the standard rate of tax in the UK of 23.5% (2022: 19%) | 11,667        | 10,304        |
| Effects of:                                                                  |               |               |
| Non-taxable income                                                           | (52)          | (41)          |
| Non-deductible expenses                                                      | 91            | 88            |
| Difference in applicable rates for current and deferred tax                  | 553           | 1,116         |
| Adjustment in respect of prior years – current tax                           | (1,369)       | (870)         |
| Adjustment in respect of prior years – deferred tax                          | 1,060         | 1,445         |
| <b>Total tax charge for the year</b>                                         | <b>11,950</b> | <b>12,042</b> |

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. Income taxes in the profit and loss account are measured at 23.5% (blended average) and deferred taxes at the balance sheet data are measured at 25%.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 6 Tangible Assets

|                                 | Land and<br>buildings | Plant<br>machinery<br>and<br>equipment | Equipment<br>and vehicles | Moulds        | Pallets      | Assets<br>under<br>construction | Total          |
|---------------------------------|-----------------------|----------------------------------------|---------------------------|---------------|--------------|---------------------------------|----------------|
|                                 | £'000                 | £'000                                  | £'000                     | £'000         | £'000        | £'000                           | £'000          |
| <b>Cost</b>                     |                       |                                        |                           |               |              |                                 |                |
| At 1 January 2023               | 127,033               | 300,720                                | 9,025                     | 13,372        | 6,890        | 42,869                          | 499,909        |
| Additions                       | 4,253                 | 22,636                                 | 998                       | 4,021         | 1,639        | 42,159                          | 75,706         |
| Disposals                       | -                     | (4,281)                                | -                         | (2,154)       | (1,579)      | -                               | (8,014)        |
| Category transfers              | 361                   | 23,911                                 | 131                       | -             | -            | (24,403)                        | -              |
| <b>At 31 December 2023</b>      | <b>131,647</b>        | <b>342,986</b>                         | <b>10,154</b>             | <b>15,239</b> | <b>6,950</b> | <b>60,625</b>                   | <b>567,601</b> |
| <b>Accumulated depreciation</b> |                       |                                        |                           |               |              |                                 |                |
| At 1 January 2023               | 62,577                | 228,993                                | 5,458                     | 8,801         | 3,932        | -                               | 309,761        |
| Charge for the year             | 6,477                 | 18,011                                 | 992                       | 3,998         | 1,510        | -                               | 30,988         |
| Disposals                       | -                     | (4,281)                                | -                         | (2,154)       | (1,579)      | -                               | (8,014)        |
| <b>At 31 December 2023</b>      | <b>69,054</b>         | <b>242,723</b>                         | <b>6,450</b>              | <b>10,645</b> | <b>3,863</b> | <b>-</b>                        | <b>332,735</b> |
| <b>Net book value</b>           |                       |                                        |                           |               |              |                                 |                |
| <b>31 December 2023</b>         | <b>62,593</b>         | <b>100,263</b>                         | <b>3,704</b>              | <b>4,594</b>  | <b>3,087</b> | <b>60,625</b>                   | <b>234,866</b> |
| 31 December 2022                | 64,456                | 71,727                                 | 3,567                     | 4,571         | 2,958        | 42,869                          | 190,148        |

Included in property, plant and equipment are the following:

- Land at £8,345,000 (2022: £8,345,000) on which no depreciation is provided. Of which £60,000 (2022: £60,000) is short leasehold and £8,285,000 (2022: £8,285,000) is freehold.
- Assets amounting to £163,889,000 (2022: £169,402,000) which are fully depreciated but still in use.

The below shows the movement for right of use assets throughout the year:

|                           | Land and<br>buildings | Plant<br>machinery and<br>equipment | Equipment and<br>vehicles | Total   |
|---------------------------|-----------------------|-------------------------------------|---------------------------|---------|
|                           | £'000                 | £'000                               | £'000                     | £'000   |
| 1 January 2023            | 21,240                | 1,199                               | 1,517                     | 23,956  |
| Additions for the year    | 4,243                 | 4,054                               | 707                       | 9,004   |
| Depreciation for the year | (4,547)               | (1,697)                             | (701)                     | (6,945) |
| 31 December 2023          | 20,936                | 3,556                               | 1,523                     | 26,015  |

|                                   | 31 December 2023<br>£'000 | 31 December 2022<br>£'000 |
|-----------------------------------|---------------------------|---------------------------|
| Current Liabilities (note 10)     | 5,945                     | 4,976                     |
| Non-Current Liabilities (note 11) | 26,760                    | 25,458                    |

Interest expense for the year is £1,867,000 (2022: £1,436,000), refer to note 4.  
The total cash outflow for leases in the year was £8,412,000 (2022: £8,524,000).

An investment of £1 is held in a subsidiary holding, Ardagh Services (UK) Limited (refer to note 21).

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 7 Cash at bank and in hand

|                          | 2023   | 2022   |
|--------------------------|--------|--------|
|                          | £'000  | £'000  |
| Cash at bank and in hand | 63,024 | 74,022 |

### 8 Debtors

|                                             | 2023           | Restated*<br>2022 |
|---------------------------------------------|----------------|-------------------|
|                                             | £'000          | £'000             |
| <b>Amounts falling due within one year:</b> |                |                   |
| Trade debtors                               | 63,491         | 76,534            |
| Amounts owed by fellow group undertakings   | 41,510         | 83,263            |
| Amounts owed by parent undertaking          | 219,802        | 225,562           |
| Intercompany trade receivables              | 2,540          | 5,967             |
| Prepayments and accrued income              | 2,426          | 6,559             |
| Current income tax asset                    | 3,157          | -                 |
| Deferred tax asset (note 12)                | 158            | 12,070            |
|                                             | <b>333,084</b> | <b>409,955</b>    |

The amounts owed by the UK parent undertaking are unsecured and with interest payable on £110,920,000 (2022: £110,920,000) at 6.353% (2022: 6.211%) and £108,882,000 (2022: £114,642,000) interest free. These balances have no fixed repayment terms.

Amounts owed by fellow group companies include Ardagh Treasury Limited £41,510,000 (2022: £83,263,000) which is unsecured, has no fixed repayment terms, and bears interest at rates between 5.02% and 6.87% (2022: between 3.87% and 6.98%).

Debtors are stated after a provision for impairment of £nil (2022: £nil) for doubtful debtors.

\*Please refer to note 22 for further details.

### 9 Stocks

|                               | 2023          | 2022          |
|-------------------------------|---------------|---------------|
|                               | £'000         | £'000         |
| Raw materials and consumables | 9,730         | 2,967         |
| Engineering spares            | 7,946         | 7,312         |
| Ancillary mould equipment     | 4,935         | 4,371         |
| Finished goods                | 73,465        | 57,287        |
|                               | <b>96,076</b> | <b>71,937</b> |

Included above are finished goods of £17,701,509 (2022: £1,088,000) carried at net realisable value being lower than cost.

The Company consumed £95,601,000 (2022: £92,451,000) of raw materials and consumables during the year. The Company recognised £9,647,000 (2022: £718,000) as an expense in the year, in relation to the write down of stock.

The Company pledged inventory totalling £84,942,000 (2022: £53,348,000) as security for the Ardagh Group S.A. Global Asset Backed Loan Facility.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 10 Creditors - amounts falling due within one year

|                                             | 2023<br>£'000  | 2022<br>£'000  |
|---------------------------------------------|----------------|----------------|
| <b>Amounts falling due within one year:</b> |                |                |
| Trade creditors                             | 94,047         | 111,891        |
| Amounts owed to fellow group undertakings   | 8,927          | 17,475         |
| Third party leases and interest             | 5,945          | 4,976          |
| Taxation and social security                | 15,221         | 17,880         |
| Pallet deposits                             | 2,140          | 661            |
| Accruals                                    | 18,075         | 24,596         |
| Deferred income                             | 220            | 219            |
|                                             | <b>144,575</b> | <b>177,698</b> |

Creditors are stated at book value which approximates their fair value. The Company has no derivative financial liabilities.

The amounts owed to group undertakings relate to trading items settled on standard commercial terms. These balances are unsecured, interest free, and have no fixed repayment terms.

### 11 Creditors - amounts falling due after more than one year

|                               | Between<br>1-2 years<br>£'000 | Between<br>2-5 years<br>£'000 | Over 5<br>years<br>£'000 | Total<br>£'000 |
|-------------------------------|-------------------------------|-------------------------------|--------------------------|----------------|
| <b>As at 31 December 2023</b> |                               |                               |                          |                |
| Third party leases            | 4,353                         | 7,420                         | 14,987                   | 26,760         |
| Deferred income               | 220                           | 145                           | 1,826                    | 2,191          |
| <b>Total</b>                  | <b>4,573</b>                  | <b>7,565</b>                  | <b>16,813</b>            | <b>28,951</b>  |

  

|                               | Between<br>1-2 years<br>£'000 | Between<br>2-5 years<br>£'000 | Over 5<br>years<br>£'000 | Total<br>£'000 |
|-------------------------------|-------------------------------|-------------------------------|--------------------------|----------------|
| <b>As at 31 December 2022</b> |                               |                               |                          |                |
| Third party leases            | 3,746                         | 5,956                         | 15,756                   | 25,458         |
| Deferred income               | 220                           | 364                           | -                        | 584            |
| <b>Total</b>                  | <b>3,966</b>                  | <b>6,320</b>                  | <b>15,756</b>            | <b>26,042</b>  |

The note above analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 12 Deferred tax liabilities and assets

The following are the major deferred tax liabilities and (assets) recognised, and the movements thereon during the current and prior year. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2022: 25%).

|                                                                             | Fixed asset<br>timing<br>differences | Short term<br>timing<br>differences | Retirement<br>benefits |                 |                 |
|-----------------------------------------------------------------------------|--------------------------------------|-------------------------------------|------------------------|-----------------|-----------------|
| Movement on deferred taxation balance in<br>the year                        | 2023<br>£'000                        | 2023<br>£'000                       | 2023<br>£'000          | 2023<br>£'000   | 2022<br>£'000   |
| At 1 January                                                                | 11,390                               | (78)                                | (23,382)               | (12,070)        | (25,227)        |
| Profit and Loss Account (note 5)                                            | 6,999                                | (286)                               | 3,691                  | 10,404          | 6,095           |
| Tax (credited)/charged directly to the<br>Statement of Comprehensive Income | -                                    | -                                   | 1,508                  | 1,508           | 7,062           |
| <b>At 31 December</b>                                                       | <b>18,389</b>                        | <b>(364)</b>                        | <b>(18,183)</b>        | <b>(158)</b>    | <b>(12,070)</b> |
|                                                                             |                                      |                                     |                        | 2023<br>£'000   | 2022<br>£'000   |
| Deferred tax (asset) on retirement benefit obligations                      |                                      |                                     | (18,183)               | (23,382)        |                 |
| Deferred tax (asset) on short term timing differences                       |                                      |                                     | (364)                  | (78)            |                 |
| Deferred tax (asset) on fixed asset timing differences                      |                                      |                                     | (1,474)                | (1,543)         |                 |
| Deferred tax liability on fixed asset timing differences                    |                                      |                                     | 19,863                 | 12,933          |                 |
| <b>Net deferred tax (asset)</b>                                             |                                      |                                     | <b>(158)</b>           | <b>(12,070)</b> |                 |

### 13 Provisions for liabilities

| Non-current provisions     | Total<br>£'000 |
|----------------------------|----------------|
| At 1 January 2023          | 426            |
| Charge for the year        | -              |
| Utilised in the year       | (111)          |
| <b>At 31 December 2023</b> | <b>315</b>     |

#### Accrued holiday pay entitlement

The Company has an obligation to pay certain employees accrued holiday entitlements when they leave the Company's employment. The holiday pay obligation has been calculated as at 31 December 2023 and will crystallise as the service lives of the employees concerned come to an end.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 14 Called-up share capital

| Authorised                                               | 2023<br>£'000 | 2022<br>£'000 |
|----------------------------------------------------------|---------------|---------------|
| 24,000,000 (2022: 24,000,000) ordinary shares of £1 each | 24,000        | 24,000        |

| Issued and fully paid<br>At 31 December | Number of<br>shares | 2023<br>£'000 | Number of<br>shares | 2022<br>£'000 |
|-----------------------------------------|---------------------|---------------|---------------------|---------------|
| Ordinary shares of £1 each              | 23,243,000          | 23,243        | 23,243,000          | 23,243        |

### 15 Employees and directors

| Employee benefit expenses during the year | 2023<br>£'000 | 2022<br>£'000 |
|-------------------------------------------|---------------|---------------|
| Wages and salaries                        | 74,813        | 77,164        |
| Social security costs                     | 8,230         | 8,107         |
| Other pension costs (note 16)             | 5,670         | 4,745         |
|                                           | 88,713        | 90,016        |

| Average monthly number of people (including executive directors) employed | 2023<br>Number | 2022<br>Number |
|---------------------------------------------------------------------------|----------------|----------------|
| Manufacturing                                                             | 1,361          | 1,373          |
| Administration & marketing                                                | 96             | 82             |
|                                                                           | 1,457          | 1,455          |

| Directors                                   | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------------------|---------------|---------------|
| Aggregate emoluments                        | 1,690         | 1,665         |
| Company contributions to directors' pension | 103           | 60            |
|                                             | 1,793         | 1,725         |

Aggregate emoluments (including Company contributions to director's pension) for the highest paid director were £733,000 (2022: £643,000). This includes pension contributions in the year of £58,000 (2022: £22,000).

Post-employment benefits are accruing for 4 (2022: 4) directors under a defined contribution scheme.

### 16 Retirement benefit obligations

The Company sponsors two sections of a defined benefit pension scheme in the UK – The Rockware Section and the Redfearn Section of the Ardagh (UK) 2017 Pension Scheme. In addition, the Company sponsors one defined contribution pension scheme – The Ardagh DC Pension Scheme. The assets of the schemes are held separately from those of the Company, being invested with professional investment managers.

Each plan is each governed by a board of trustees, which includes members who are independent of the Company. The trustees are responsible for managing the operation, funding and investment strategy. The plans are subject to the UK regulatory framework, the requirements of the Pensions Regulator and are subject to a statutory funding objective.

# Ardagh Glass Limited

## Notes to the Financial statements for the year ended 31 December 2023 (continued)

### 16 Retirement benefit obligations (continued)

The key risks of the plans are as follows:

(a) Asset volatility

The plans' liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plans hold a significant proportion of growth assets, which are expected to outperform corporate bonds in the long term while providing volatility in the short term. The assets of each plan are managed on a fiduciary basis. The fiduciary manager invests in a broad range of growth assets to help manage risk with allocations adapted actively in response to changing market conditions. The nominal expected returns per annum for the Rockware Section and the Redfearn Section are 5.1% and 7.1% respectively.

(b) Changes in bond yields

A decrease in corporate bond yields will increase the value of the plans' liabilities, although this will be partially offset by an increase in the plans' bond holdings.

(c) Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

(d) Inflation risk

The majority of the plans' obligations are linked to inflation, and higher inflation will lead to higher liabilities (although in most cases, benefits are subject to caps on the level of inflation increases, which provides the plan with protection against extreme inflation). The majority of the plans' assets are either loosely correlated with inflation (e.g. equities) or unaffected (e.g. fixed interest bonds). 100% of the assets of each plan are hedged against interest rate and inflation risk.

In general trustees manage and set required contributions based on independent actuarial advice in accordance with UK regulations. There is a risk that changes in funding discount rates, price inflation, asset returns or life expectancy assumptions could lead to a material deficit. Given the long-term time horizon of the plans, the assumptions used are uncertain. The assumptions can also be volatile from year to year due to changes in investment market conditions. A higher funding deficit could lead to additional funding requirements in future years. Any deficit relative to the actuarial funding purposes, which may differ from the position on an accounting basis, will generally be financed over a period that ensures the contributions are reasonably affordable to the Company and in line with UK regulations.

A full actuarial valuation of the Rockware Section and the Redfearn Section was carried out as at 5 April 2021 by a qualified independent actuary. These valuations were updated by an actuary to reflect the pension scheme assets and liabilities as at 31 December 2023.

The Rockware Section closed to future accrual with effect from 31 March 2013 and all active members at that date became deferred members. The Redfearn Section closed to future accrual from 30 September 2015 and all active members at that date became deferred members.

The assets and liabilities within each section continues to be held and managed separately by the Trustee Company.

As at 31 December 2023, the plans had nil active members (2022: nil), 1,092 (2022: 1,092) deferred members and 885 (2022: 885) pensioners (including dependents).

The weighted average duration of the liabilities in the Company's defined benefit pension plans is 13 years (2022: 13 years).

# Ardagh Glass Limited

## Notes to the Financial statements for the year ended 31 December 2023 (continued)

### 16 Retirement benefit obligations (continued)

Pension costs for defined contribution schemes are as follows:

|                              | 2023  | 2022  |
|------------------------------|-------|-------|
|                              | £'000 | £'000 |
| Defined contribution schemes | 5,670 | 4,745 |

The Company expects to contribute £5,900,000 to the group pension scheme in 2024 (2022: £5,500,000 in 2023).

In calculating the liabilities of the defined benefit scheme, the following financial assumptions have been used:

#### Rockware Section

|                                               | 2023         | 2022         |
|-----------------------------------------------|--------------|--------------|
| Discount rate                                 | 4.80%        | 5.05%        |
| RPI                                           | 2.95%        | 3.05%        |
| Pension-in payment increases                  | 2.25%        | 2.3%         |
| Post retirement mortality assumption          | S3PA-H table | S3PA-H table |
| Life expectancy of current pensioners (years) |              |              |
| • Male                                        | 19.7         | 20.0         |
| • Female                                      | 22.4         | 22.6         |
| Life expectancy of future pensioners (years)  |              |              |
| • Male                                        | 21.1         | 21.5         |
| • Female                                      | 23.9         | 24.2         |

#### Redfearn Section

|                                               | 2023         | 2022         |
|-----------------------------------------------|--------------|--------------|
| Discount rate                                 | 4.80%        | 4.90%        |
| RPI                                           | 2.90%        | 3.00%        |
| Pension-in payment increases                  | 2.95%        | 3.05%        |
| Post retirement mortality assumption          | S3PA-H table | S3PA-H table |
| Life expectancy of current pensioners (years) |              |              |
| • Male                                        | 19.1         | 19.4         |
| • Female                                      | 21.8         | 22.0         |
| Life expectancy of future pensioners (years)  |              |              |
| • Male                                        | 20.4         | 20.8         |
| • Female                                      | 23.3         | 23.6         |

- (1) These are updated versions of the S3PA-H standard mortality tables to allow for more recent mortality experience. The standard table has been projected forward in line with the medium cohort projection from 2000 onwards based on each member's year of birth.

The sensitivities of the scheme are as follows:

- If the discount rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would increase by an estimated £17.7 million (2022: £18.2 million). If the discount rate were to increase by 50 basis points, the carrying amount of the pension obligations would decrease by an estimated £15.9 million (2022: £16.3 million).

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 16 Retirement benefit obligations (continued)

- If the inflation rate were to decrease by 50 basis points from management estimates, the carrying amount of the pension obligations would decrease by an estimated £13.6 million (2022: £11.9 million). If the inflation rate were to increase by 50 basis points, the carrying amount of the pension obligations would increase by an estimated £14.6 million (2022: £12.8 million).
- If life expectancy were to decrease by one year from management estimates, the carrying amount of the pension obligations would increase by an estimated £6.9 million (2022: £6.6 million).

The major categories of assets as a percentage of total plan assets are as follows:

| Asset category                           | %           | 2023           | %           | 2022           |
|------------------------------------------|-------------|----------------|-------------|----------------|
|                                          |             | £'000          |             | £'000          |
| Equities and hedge funds                 | 20.8%       | 37,521         | 25.0%       | 40,999         |
| • Quoted                                 | 5.1%        | 9,236          | 0.0%        | -              |
| • Unquoted                               | 15.7%       | 28,285         | 25.0%       | 40,999         |
| Investment funds - Return Seeking Credit | 13.9%       | 25,118         | 21.7%       | 35,537         |
| • Quoted                                 | 1.0%        | 1,838          | 2.8%        | 4,575          |
| • Unquoted                               | 12.9%       | 23,280         | 18.9%       | 30,962         |
| Bonds                                    | 55.0%       | 99,382         | 26.3%       | 43,103         |
| • Quoted                                 | 63.9%       | 115,433        | 41.8%       | 68,589         |
| • Unquoted                               | (8.9%)      | (16,051)       | (15.5%)     | (25,486)       |
| Others                                   | 2.1%        | 3,848          | 5.6%        | 9,232          |
| • Quoted                                 | 0.0%        | 0              | 0.0%        | -              |
| • Unquoted                               | 2.1%        | 3,848          | 5.6%        | 9,232          |
| Cash                                     | 8.2%        | 14,740         | 21.4%       | 35,046         |
| • Quoted                                 | 6.2%        | 11,197         | 20.0%       | 32,832         |
| • Unquoted                               | 2.0%        | 3,543          | 1.4%        | 2,214          |
| <b>Total</b>                             | <b>100%</b> | <b>180,609</b> | <b>100%</b> | <b>163,917</b> |

The pension schemes hedge their liabilities to mitigate the impact of interest rate and inflation movements. Rockware and Redfearn both hedge 100% of the assets. This hedge is achieved through a combination of gilt instruments together with interest rate and inflation swaps. These liability hedging assets are grouped under 'Bonds'.

The amounts recognised in the Balance Sheet are determined as follows:

|                                             | 2023      | 2022      |
|---------------------------------------------|-----------|-----------|
|                                             | £'000     | £'000     |
| Fair value of plan assets                   | 180,609   | 163,917   |
| Present value of defined benefit obligation | (253,339) | (257,444) |
| Liability in the balance sheet              | (72,730)  | (93,527)  |

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 16 Retirement benefit obligations (continued)

The amounts recognised in the Profit and Loss Account are as follows:

|                                                            | 2023    | 2022    |
|------------------------------------------------------------|---------|---------|
|                                                            | £'000   | £'000   |
| Interest on defined benefit obligation                     | 12,399  | 6,764   |
| Interest on defined benefit asset                          | (8,209) | (4,504) |
| Total included within the Profit and Loss Account (note 4) | 4,190   | 2,260   |

The total charge is included in administrative expenses and cost of sales.

#### Change in the defined benefit obligation:

|                                                                | 2023     | 2022      |
|----------------------------------------------------------------|----------|-----------|
|                                                                | £'000    | £'000     |
| Present value of defined benefit obligation at start of year   | 257,444  | 395,307   |
| Past Service cost                                              | 247      | -         |
| Interest cost                                                  | 12,399   | 6,764     |
| Remeasurement (gain)/loss – changes in demographic assumptions | (7,250)  | 965       |
| Remeasurement loss/(gain) – changes in financial assumptions   | 4,552    | (156,232) |
| Remeasurement loss – changes in experience                     | 1,936    | 27,433    |
| Benefit payments                                               | (15,989) | (16,793)  |
| Present value of defined benefit obligation at end of year     | 253,339  | 257,444   |

The defined benefit cost for the fiscal year ended 31 December 2023 includes a past service cost due to the augmentation of member benefits following redundancy.

#### Change in plan assets:

|                                                   | 2023     | 2022     |
|---------------------------------------------------|----------|----------|
|                                                   | £'000    | £'000    |
| Fair value of plan assets at start of year        | 163,917  | 256,532  |
| Interest income                                   | 8,209    | 4,504    |
| Remeasurement gain/(loss) – return on plan assets | 5,272    | (99,586) |
| Benefits payments                                 | (15,989) | (16,793) |
| Employer contributions                            | 19,200   | 19,260   |
| Fair value of plan assets at end of year          | 180,609  | 163,917  |

#### Amount recognised in the Statement of Comprehensive Income:

|                                                                 | 2023    | 2022     |
|-----------------------------------------------------------------|---------|----------|
|                                                                 | £'000   | £'000    |
| Remeasurement gain on defined benefit obligation                | 762     | 127,834  |
| Remeasurement gain/(loss) on plan assets                        | 5,272   | (99,586) |
| Remeasurement gain                                              | 6,034   | 28,248   |
| Deferred tax on remeasurements                                  | (1,508) | (7,062)  |
| Net remeasurement gain in the Statement of Comprehensive Income | 4,526   | 21,186   |

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 16 Retirement benefit obligations (continued)

The history of experience gains/(losses):

|                                                  | 2023      | 2022      |
|--------------------------------------------------|-----------|-----------|
| Experience gains/(losses) on plan assets (£'000) | 5,272     | (99,586)  |
| Percentage of plan assets                        | 2.9%      | 60.75%    |
| Experience gains on plan obligation (£'000)      | 762       | 127,834   |
| Percentage of plan obligation                    | 0.3%      | 49.66%    |
| Fair value of plan assets (£'000)                | 180,609   | 163,917   |
| Present value of plan obligation (£'000)         | (253,339) | (257,444) |
| Net deficit (£'000)                              | (72,730)  | (93,527)  |

The Company has agreed with the scheme's trustees to make a contribution to the scheme, during 2024, of £19,200,000 (2022: £19,200,000 during 2023).

The liabilities of the scheme are gradually settled over time until all members have left. As per the wind-up rule, any remaining assets must be distributed to the companies in the scheme.

### 17 Contingent liabilities

The Company has an ongoing obligation to provide death benefits to former employees, who have been made redundant, as part of their severance packages.

The benefits provided are payable if the employee dies during a specific period after being made redundant:

- If the employee was within ten years of normal retirement age at the age of redundancy, taken to be 65, up to the normal retirement age; or
- For one year.

The amount of the death benefit payable is two times the employee's salary at the date of redundancy.

The directors intend to take out annual insurance cover to meet any future liabilities in this respect and have already taken out life assurance for the year ending 31 December 2023. In the event that these obligations are not insured in the future, the Company's total contingent liability in this respect at 31 December is as follows:

|                            | 2023  | 2022  |
|----------------------------|-------|-------|
|                            | £'000 | £'000 |
| Within one year            | 941   | -     |
| Within two to three years  | 436   | 208   |
| Within three to five years | 768   | 353   |
| After 5 years              | 892   | -     |
|                            | 3,037 | 561   |

The above liability will either crystallise or lapse over the next five years.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 17 Contingent liabilities (continued)

#### Charges and guarantees

The Company is a joint guarantor on a senior secured basis for the senior secured debt of Ardagh Group S.A., an intermediate parent of the Company. As at 31 December 2023, Ardagh Group S.A. had \$3,273 million (2022: \$3,266 million) of senior secured debt outstanding (\$700 million 5.250% Senior Secured Notes due 2025, \$1,215 million 4.125% Senior Secured Notes due 2026, €439 million 2.125% Senior Secured Notes due 2026, €790 million 2.125% Senior Secured Notes due 2026). The Senior Secured debt is guaranteed on a senior basis by Ardagh Group S.A.

The Company is a joint guarantor on a senior subordinated basis for the senior debt of Ardagh Group S.A., an intermediate parent of the Company. As at 31 December 2023, Ardagh Group S.A. had \$2,309 million (2022: \$2,281 million) of Senior debt outstanding (£400 million 4.750% Senior Notes due 2027, \$800 million 5.250% Senior Notes due 2027, \$1,000 million 5.250% Senior Notes due 2027). The Senior debt is guaranteed on a senior basis by Ardagh Group S.A.

The Directors do not expect a loss to arise as a result of the above guarantee.

### 18 Capital and other financial commitments

|                                                                                                     | 2023<br>£'000 | 2022<br>£'000 |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|
| Contracts placed for future acquisition of tangible assets not provided in the financial statements | 3,693         | 35,471        |

The Company holds an HMRC duty deferment guarantee with Citibank NA for the value of £50,000 (2022: £50,000).

### 19 Dividends

During the year the Company paid an interim dividend of £1 to Ardagh Glass (UK) Limited (2022: £10,000,000) and an interim dividend of £10,000,000 (2022: £nil) to Ardagh Holdings (UK) Limited. The Directors do not propose a final dividend (2022: £nil).

### 20 Ultimate parent undertaking company and controlling party

ARD Holdings S.A., a company registered in Luxembourg, is the Company's ultimate parent undertaking and controlling party. Copies of ARD Holdings S.A.'s consolidated financial statements can be obtained from the Company Secretary, 56, rue Charles Martel, L-2134 Luxembourg.

ARD Holdings S.A. is the parent undertaking of the smallest and largest group of which the Company is a member and for which group financial statements are drawn up.

Ardagh Holdings (UK) Limited, incorporated in the United Kingdom (England), is the intermediate parent company. Copies of the financial statements can be obtained from Companies House.

### 21 Subsidiary holdings

Details of the Company's holdings in subsidiary undertakings are shown below:

| Name of Company               | % held | Country of incorporation or registration | Nature of business |
|-------------------------------|--------|------------------------------------------|--------------------|
| Ardagh Services (UK) Limited* | 100%   | England and Wales                        | Dormant company    |

\*Investment value £1 (2022: £1)

The registered office of the company above is Headlands Lane, Knottingley, West Yorkshire, WF11 0HP.

# Ardagh Glass Limited

## Notes to the Financial Statements for the year ended 31 December 2023 (continued)

### 22 Prior year restatement

During the current year it was identified that the presentation of the deferred tax in the balance sheet required restating to bring it into line with Companies Act requirements. This has been corrected retrospectively and has resulted in the following changes to the comparative figures as at 31 December 2022:

- Deferred tax asset in the balance sheet reduced by £25,003,000;
- Debtors in the balance sheet increased by £12,070,000 and
- Deferred tax liabilities in the balance sheet reduced by £12,933,000

The effect on net assets and retained earnings as at 31 December 2022 as a result of this restatement was £nil.