

Ardagh Metal Packaging UK Limited
Annual report and financial statements
for the year ended 31 December 2022

Registered Number 02459095



Ardagh Metal Packaging UK Limited
Annual report and financial statements
for the year ended 31 December 2022
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Ardagh Metal Packaging UK Limited

Strategic report for the year ended 31 December 2022

The directors present their Strategic report of Ardagh Metal Packaging UK Limited ("the Company") for the year ended 31 December 2022.

Review of the business

The principal activity of the Company during the year was that of providing toll manufacturing services of beverage packaging products.

Performance of the company during the financial year

The profit for the financial year was £13,271,000 (2021: £6,583,000). As at 31 December 2022, the company had net assets of £180,865,000 (2021: £214,977,000).

The Company provides toll manufacturing services. During the year total production volumes increased by 2.9% compared to 2021, and overall production volumes were 6.5% lower in 2022 compared to budget. Production in Rugby was up 13.9% compared to the previous year due to a new focus to improve productivity, to improve output, and to reduce scrap. Production in Deeside was up by 2.2%, and Wrexham production decreased by 3.8% due to major projects.

Overall average maintenance costs per thousand increased by 6.7% during 2022, mainly in Deeside which increased by 23.9%.

The Company had a minimal increase in spoilage (percentage spoilt during manufacturing process) which increased from 3.7% in 2021 to 3.95% in 2022, which increased in Rugby by 27.6%, offset with a decrease in Wrexham of 2.7% and in Deeside of 17.3%, due to the settling in period of new equipment with additional quality checks introduced.

Key Performance Indicators (KPIs)

The company uses the following KPIs to further understand the development, performance and position of the company:

KPI	2022	2021	
% Gross profit margin	23.51%	23.41%	The directors were satisfied with the margin.
Staff turnover % (No. leavers during year divided by average no. of employees during the year)	12.73%	7.58%	The directors were satisfied with the 2022 and 2021 staff turnover.
Spoilage %	3.95%	3.70%	As discussed above.
Average lost time work accidents	2	1	This is of high importance to the directors, and they continue to work towards zero lost time accidents.
% change in maintenance costs per thousand cans produced	6.7%	-4.70%	As discussed above.

Development of the company during the financial year

Strategy

Our strategy is constantly developing, and is to be the leading beverage can manufacturer by leveraging our operational excellence. We supply high-quality, innovative, and sustainable packaging that meets the current and future needs of the beverage markets. We are committed to acting as a responsible member of society and actively promote the development of our employees.

Our core values are as follows;

- Excellence
- Teamwork
- Trust

Ardagh Metal Packaging UK Limited

Strategic report for the year ended 31 December 2022 (continued)

Development of the company during the financial year (continued)

During 2022, the Company has developed in various aspects of the business as described below:

Capital investment

The business continually invests in vital capital expenditure, to maintain and develop the production needs of the manufacturing business and to optimise the production of cans and ends.

Training and development

The Company continues to focus time and effort on a rolling programme of training and development, mainly identified from competency based appraisals. We also offer corporate training via our Technical Centre and an introduction to can making for new employees. We have now developed a robust succession planning system which further aims to develop managers for future roles as well as an International Graduate Trainee scheme. This, plus our ongoing commitment to technical and functional training, health and safety, and external qualifications provide a strong framework for the future in developing our own talent.

Cost saving initiatives

The Ardagh Metal Packaging S.A. group ("the Ardagh Group") is constantly looking for ways to optimise the overheads of the business and create a culture of striving for best value. During the year the Company undertook several cost optimisation projects which involved benchmarking and sharing best practice with all European regions. There were a variety of projects undertaken which targeted fixed and variable cost areas, and also to reduce downtime and increase efficiency.

Innovations

The Ardagh Group is continually developing innovative ideas to create new functions, shapes and designs for the beverage cans and ends. Ardagh Metal Packaging Europe GmbH focuses on developing new products from these ideas so that future-orientated solutions ensure growth for the European metal beverage business and its customers. Continuous process enhancements developed centrally also permit the application of more environmentally sound and cost-effective production methods to enable us to guarantee the best possible quality for our products.

Outlook of the business

Going forward, the Company intends on increasing production volume and maintaining gross profit percentage levels, while also improving on other KPIs. The investment in the UK plants' manufacturing capabilities continues which signals a clear intent from the Ardagh Group in the continued development of its beverage can business with the investments being a key move in furthering Ardagh's overall footprint.

Principal risks and uncertainties

The risks that follow have been identified by the directors as being potentially significant to the Company; however, it should be noted that they consider the likelihood of occurrence to be extremely low, due to internal control and monitoring procedures.

Shortage of metal

Metal is the most significant raw material in the production of beverage cans; without this resource there would be significant consequences for the business if Ardagh Metal Packaging Europe GmbH could not secure the supply of aluminium. To overcome this risk, Ardagh Metal Packaging Europe GmbH has several metal suppliers, and this is periodically reviewed.

Ardagh Metal Packaging UK Limited

Strategic report for the year ended 31 December 2022 (continued)

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.

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 work's 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 the 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 the Ardagh Group's sustainability credentials.

Ardagh Metal Packaging UK Limited

Strategic report for the year ended 31 December 2022 (continued)

Section 172(1) statement (continued)

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.

Sustainability is intrinsic in our business values and a key driver of continuous improvement. Our aim is to reduce any negative environmental impact whilst remaining economically sustainable and socially responsible.

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 2019.

Energy consumption is measured in kilowatt-hours (kWh) 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, including business travel in personal and Company vehicles.

Greenhouse gas emissions are measured in tonnes of carbon-dioxide equivalent (tCO₂e).

We have followed the 2019 UK Government environmental reporting guidance, and we have used the 2021 UK Government's Conversion Factors for Company Reporting in determining the energy consumption and greenhouse gas emissions.

Ardagh Metal Packaging UK Limited

Strategic report for the year ended 31 December 2022 (continued)

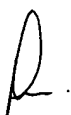
Section 172(1) statement (continued)

	2022	2021
Energy consumption in kWh used to calculate emissions	336,550,587	276,442,071
Emissions from purchased electricity (tCO ₂ e)	0	0
Emissions from combustion of gas (tCO ₂ e)	3,972.3	3,882.7
Emissions from combustion of fuel for transport purposes (tCO ₂ e)	-	-
Total emissions (tCO ₂ e)	3,972.3	3,882.7
Intensity ratio: tCO ₂ e per £1m revenue	30.3	36.1

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.

On behalf of the Board



J Clarke
Director

Date 30 June 2023

Ardagh Metal Packaging UK Limited

Directors' report for the year ended 31 December 2022

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

Further details of the performance of the Company, outlook, and developments are included in the Strategic report on pages 2 and 3.

Research and development

The Company participates in research and development activities in conjunction with its fellow undertakings in the group.

Dividends

Dividends paid during the year amounted to £20,000,000 (2021: £Nil). No final dividends are proposed.

Political and charitable donations

During the year, the Company made no political donations; it made charitable donations of £700 (2021: charitable donations of £2,400).

Financial risk management

The Company's operations expose it to certain financial risks. The Company, working in conjunction with other companies within the Ardagh Group, has in place a risk management programme that seeks to limit the potential adverse effects on the financial performance of the Company, including foreign exchange and credit risk. The Company also recognises the increased risk of fraud in today's business world.

Price risk:

The Company's exposure to price risk is not considered significant, the Company has small exposure to commodity price and currency exchange risk when purchasing spare parts, capital equipment, and other essential items. The directors have access to and utilise the expertise existing within Ardagh Metal Packaging Europe GmbH to help identify and manage risks and opportunities arising from this process.

Liquidity risk:

The Company actively manages its financial position in conjunction with the internal treasury function of the Ardagh Group to ensure the Company has sufficient available funds for on-going and future operations.

Fraud:

The Ardagh Group continually assesses its internal control framework and ensures its effectiveness. These systems, along with the promotion of employee awareness and the provision of hotlines to encourage whistleblowing, combine to ensure a tight anti-fraud strategy.

Directors

The directors of the Company who served throughout the year and up to the date of signing these financial statements are listed below:

J Clarke
M Rozmus
T Schoen
M Edwards

Qualifying third party indemnity provision

Qualifying third party indemnity for the directors was in force during the financial year and at the date of approval of these financial statements.

Ardagh Metal Packaging UK Limited

Directors' report for the year ended 31 December 2022 (continued)

Non-discrimination and diversity

We respect, value and welcome diversity in our workforce, as well as at our customers, our suppliers, and the global marketplace. Our policy is to comply with all applicable laws and to provide equal employment opportunity for all applicants and employees without regard to non-job-related factors such as ethnicity, colour, religion, gender, age, disability, marital status, or sexual orientation. This Policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, and social and recreational programmes.

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, achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company. It adopts a structured policy to ensure the appropriate level of employee involvement in the overall functioning of the organisation.

Overseas branches

The Company has no overseas branches as at the date of approval of these financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Ardagh Metal Packaging UK Limited

Directors' report for the year ended 31 December 2022 (continued)

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

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

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.

Going concern

The Company meets its day-to-day working capital requirements through access to funds as part of Ardagh Metal Packaging's cash pooling arrangement that is administered through Ardagh Metal Packaging Holdings Germany GmbH, a fellow group company, which acts as an internal bank for Ardagh Metal Packaging S.A.'s subsidiaries. Under the cash pooling arrangements, there is no cash held by the Company - all balances are 'swept' to Ardagh Metal Packaging Holdings Germany GmbH 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.

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 for a period of at least 12 months from the date of approval of the financial statements. In arriving at its conclusion, the Board has taken account of the Company's current and anticipated trading performance, together with current and anticipated levels of cash and net debt. This has informed the Board's judgement that it is appropriate to prepare the financial statements on a going concern basis.

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 Metal Packaging S.A.. The Board has received confirmation that intercompany credit balances due by the Company will not be recalled for at least one year after these financial statements are signed. A letter of support has been provided to the Company by Ardagh Metal Packaging S.A..

Ardagh Metal Packaging UK Limited

Directors' report for the year ended 31 December 2022 (continued)

Independent auditors

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

On behalf of the Board



J Clarke
Director

Date 30 June 2023

Ardagh Metal Packaging UK Limited

Independent auditor's report to the members of Ardagh Metal Packaging UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ardagh Metal Packaging UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2022; the Income statement, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

Ardagh Metal Packaging UK Limited

Independent auditor's report to the members of Ardagh Metal Packaging UK Limited (continued)

Reporting on other information

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Ardagh Metal Packaging UK Limited

Independent auditor's report to the members of Ardagh Metal Packaging UK Limited (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to product safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also

considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. 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 inappropriate journal entries to manipulate results, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries where applicable, in particular any journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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. 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.

Ardagh Metal Packaging UK Limited

Independent auditor's report to the members of Ardagh Metal Packaging UK Limited (continued)

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.



Daniel Wilbourn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
30 June 2023

Ardagh Metal Packaging UK Limited

Income statement for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	1	131,296	107,656
Cost of sales		(100,427)	(82,454)
Gross profit		30,869	25,202
Administrative expenses		(14,999)	(10,539)
Operating profit	2	15,870	14,663
Finance income	3	606	175
Finance costs	4	(126)	(65)
Other interest receivable and similar income	14	1,036	621
Profit before taxation		17,386	15,394
Income tax expense	7	(4,115)	(8,811)
Profit for the financial year		13,271	6,583

Statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Profit for the financial year		13,271	6,583
Other comprehensive (expense) / income:			
Remeasurements of net defined benefit obligation	14	(36,511)	20,822
Deferred tax on remeasurements of net defined benefit obligation	13	9,128	(3,700)
Other comprehensive (expense) / income for the year, net of tax		(27,383)	17,122
Total comprehensive (expense) / income for the year		(14,112)	23,705

The above results derive entirely from the Company's continuing activities.

The accounting policies and notes on pages 18 to 39 form part of these financial statements.

Ardagh Metal Packaging UK Limited

Statement of financial position as at 31 December 2022

Registered Number 02459095

	Note	2022 £'000	2021 £'000
Assets			
Fixed assets			
Property, plant and equipment	8	146,415	135,653
Total fixed assets		146,415	135,653
Current assets			
Inventories	9	6,190	5,344
Trade and other receivables	10	54,789	75,817
Defined benefit Surplus	14	22,093	57,568
Cash and cash equivalents		592	663
Total current assets		83,664	139,392
Total assets		230,079	275,045
Equity and liabilities			
Equity			
Called-up share capital	15	10,446	10,446
Retained earnings		170,419	204,531
Total equity		180,865	214,977
Liabilities			
Non - current liabilities			
Deferred income tax liabilities	1	16,539	25,480
Total non current liabilities		16,539	25,480
Current liabilities			
Trade and other payables	11	32,675	34,588
Total current liabilities		32,675	34,588
Total liabilities		49,214	60,068
Total equity and liabilities		230,079	275,045

The accounting policies and notes on pages 18 to 39 form part of these financial statements. The financial statements on pages 15 to 39 were approved by the board of directors on 30 June 2023 and were signed on its behalf by:



J Clarke
Director

Ardagh Metal Packaging UK Limited

Statement of changes in equity for the year ended 31 December 2022

	Called-up share capital £'000	Retained earnings £'000	Total Equity £'000
Balance as at 1 January 2021	10,446	180,826	191,272
Profit for the financial year	-	6,583	6,583
Other comprehensive income for the year	-	17,122	17,122
Total comprehensive income for the year	-	23,705	23,705
Balance as at 31 December 2021	10,446	204,531	214,977
Balance as at 1 January 2022	10,446	204,531	214,977
Profit for the financial year	-	13,271	13,271
Other comprehensive (expense) for the year	-	(27,383)	(27,383)
Total comprehensive (expense) for the year	-	(14,112)	(14,112)
Dividends paid	-	(20,000)	(20,000)
Total transactions with owners, recognised directly in equity	-	(20,000)	(20,000)
Balance as at 31 December 2022	10,446	170,419	180,865

The accounting policies and notes on pages 18 to 39 form part of these financial statements.

Ardagh Metal Packaging UK Limited

Accounting policies

General Information

Ardagh Metal Packaging UK Limited is a private company limited by shares and it is incorporated under the laws of United Kingdom and registered in Wales. The address of its registered office is Ardagh Group Sixth Avenue, Deeside Industrial Park, Deeside, United Kingdom, CH5 2LB. The registration number of the entity is 02459095.

The principal activity of the Company during the year was that of providing toll manufacturing services of beverage packaging products.

Statement of compliance

The individual financial statements of Ardagh Metal Packaging UK Limited, have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the 'Critical accounting judgements and key source of estimation uncertainty' section of this note.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Ardagh Group S.A. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Foreign currency

i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling (£).

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Revenue

Revenue, which excludes value added tax and discounts, represents the invoiced value of services supplied and is recognised when the service is provided.

Dividends

Interim dividends are recognised in the accounting period in which they are paid. Final dividends are recognised as a liability in the accounting period in which they are approved.

Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plan

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. The pension charge represents contributions payable by the Company to the scheme.

iii) Defined benefit pension plan

The Company operated a defined benefit plan for certain employees until 31 December 2018 when this closed to future accrual. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the fair value of the plan assets at the end of the reporting date less present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Employee benefits (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gain / (loss) recognised in the pension scheme'.

The cost of the defined benefit plan, recognised in the income statement as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the income statement as 'other finance income / (expense)'.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain elements. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual value, on a straight-line basis over the expected useful economic lives of the assets concerned.

If the directors consider that an asset has suffered impairment in value the asset is written down to its estimated recoverable value which, if appropriate, is amortised over the remaining life of the asset. If the reasons for making such a provision cease to apply, the provision is written back to the extent that it is no longer necessary.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Property, plant and equipment and depreciation (continued)

The principal annual rates of depreciation are:

Buildings	2.5% to 4%
Plant and machinery	5% to 33%

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use. No depreciation is charged on land.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included in administrative expenses.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Finance leases

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease".

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets are capitalised as property, plant and equipment and are depreciated over their useful lives. Future instalments under such leases, net of finance charges, are included within trade payables. Rentals payable are apportioned between the finance element, charged to the income statement, and the capital element which reduces the outstanding obligation for future instalments.

ii) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rental charges under recognised operating leases are charged on a straight-line basis over the lease term within the income statement.

iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

Investments

Investments in subsidiary undertakings are stated at cost less provisions for any impairment in value.

Inventories and work in progress

Inventories and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. In general, cost is determined by a moving average.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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, finance lease expenses, net foreign currency translation losses, net interest cost of net pension plan liabilities, and other finance expenses.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Financial instruments

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

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

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

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial Liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue any derivative financial instruments.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Financial instruments (continued)

iii) Offsetting

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

Government grants

Government grants are recorded when they are received, and the entity will comply with the conditions attached to them. They are amortised to the income statement over the life of the asset to which they represent a contribution. Any amount which is expected to be repaid is not amortised. The relevant grant will be considered as part of the cost of the asset in the event of impairment or disposal.

Critical accounting judgements

The preparation of the financial statements requires management to make judgements and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue, and expenses. Actual results may differ from these estimates.

Recognition of pension surplus

Under FRS 102 a surplus of scheme assets may be recognised to the extent it is recoverable through reduced employer contributions in the future or through refunds from the scheme. The Company scheme surplus is deemed recoverable and so has been recognised on the balance sheet.

Key sources of estimation uncertainty

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of property, plant and equipment and accounting policies for the useful economic lives for each class of asset.

Ardagh Metal Packaging UK Limited

Accounting policies (continued)

Key sources of estimation uncertainty (continued)

ii) Pension valuation

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, inflation asset valuations and projected returns on investments. Management estimates these factors in determining the net pension asset in the balance sheet. The assumptions reflect historical experience and current trends. See note 14.

Going Concern

The Company meets its day-to-day working capital requirements through access to funds as part of Ardagh Metal Packaging's cash pooling arrangement that is administered through Ardagh Metal Packaging Holdings Germany GmbH, a fellow group company, which acts as an internal bank for Ardagh Metal Packaging S.A.'s subsidiaries. Under the cash pooling arrangements, there is no cash held by the Company - all balances are 'swept' to Ardagh Metal Packaging Holdings Germany GmbH 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.

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 for a period of at least 12 months from the date of approval of the financial statements. In arriving at its conclusion, the Board has taken account of the Company's current and anticipated trading performance, together with current and anticipated levels of cash and net debt. This has informed the Board's judgement that it is appropriate to prepare the financial statements on a going concern basis.

Furthermore, the Board believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Ardagh Metal Packaging S.A.. The Board has received confirmation that intercompany credit balances due by the Company will not be recalled for at least one year after these financial statements are signed. A letter of support has been provided to the Company by Ardagh Metal Packaging S.A..

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022

1 Revenue

(a) Geographical analysis

The analysis of revenue by destination area is set out below:

	2022	2021
	£'000	£'000
Europe	131,296	107,656

(b) Business analysis

	2022	2021
	£'000	£'000
Toll manufacturing services	131,296	107,656

All revenue and profit before taxation is generated from the Company's activities undertaken entirely in the United Kingdom.

2 Operating profit

Operating profit is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Depreciation on owned property, plant and equipment (note 8)	15,610	14,261
Depreciation on finance leased plant and equipment (note 8)	247	126
Rental of land and buildings under operating leases	814	516
Rental of plant and machinery under operating leases	335	381
Rental of other assets under operating leases	394	382
Foreign exchange loss / (gain)	783	(35)
Loss / (Profit) on disposal of tangible fixed assets	675	84
(Profit) on disposal of investments	-	(179)
Auditors' remuneration for audit of the Company	76	67
Staff costs (note 5)	44,944	40,619
Inventory recognised as expense (note 9)	6,947	6,591

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Finance income

	2022	2021
	£'000	£'000
Interest receivable from group undertakings	606	175

4 Finance costs

	2022	2021
	£'000	£'000
Interest payable on bank overdrafts and to group undertakings	12	1
Interest payable on finance leases from third parties	114	64
	126	65

5 Staff costs

	2022	2021
	£'000	£'000
Employee costs		
Wages and salaries	36,903	34,305
Social security costs	4,235	4,089
Other pension costs: Defined Contribution Scheme (note 14)	4,842	5,100
Other pension income: Defined Benefit Scheme (note 14)	(1,036)	(2,875)
	44,944	40,619

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

Employee numbers	2022	2021
	Number	Number
Administration	28	24
Production	593	577
	621	601

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Directors' remuneration

The remuneration paid to the directors of the Company was:

	2022 £'000	2021 £'000
Aggregate remuneration	111	134
Number of directors to whom retirement benefits are accruing under the Company's funded defined benefit pension scheme	0	0

The accrued pension of the directors at 31 December 2022 was £Nil (2021: £Nil) per annum. The Company contributions paid, or treated as paid, to a money purchase pension scheme in respect of directors' qualifying services for the year ended 31 December 2022 was £9,000 (2021: £11,000).

The remuneration for the highest paid director during year was:

	2022 £'000	2021 £'000
Aggregate remuneration	111	129
Accrued retirement benefits under the Company's money purchase pension scheme	9	11

7 Income tax expense

Tax expense included in profit or loss	2022 £'000	2021 £'000
Current tax:		
UK Corporation tax	2,328	(574)
Adjustment in relation to prior years	1,601	47
Total current tax	3,929	(527)
Deferred tax: (note 13)		
Origination and reversal of timing differences	1,504	3,971
Effect of tax rate change	-	5,435
Adjustment in relation to prior years	(1,318)	(68)
Total deferred tax	186	9,338
Income tax expense	4,115	8,811

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Income tax expense (continued)

Tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit before taxation	17,386	15,394
Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	3,303	2,925
Effects of:		
Expenses not deductible for tax purposes	168	148
Fixed assets: permanent difference	-	(595)
Income not subject to tax	-	(34)
Tax rate changes	-	5,435
Difference in applicable rates for current and deferred tax	361	953
Adjustment in respect of prior year - current tax	1,601	47
Adjustment in respect of prior year - deferred tax	(1,318)	(68)
Tax charge for the year	4,115	8,811

Tax on other comprehensive expense/income not included in the income statement:

	2022	2021
	£'000	£'000
Deferred tax (credit)/charge on actuarial loss/gains on pension scheme asset	(9,128)	3,700

Tax rate changes

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

Deferred taxes at the balance sheet date are measured using the enacted tax rate.

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Property, plant and equipment

	Freehold land and buildings	Plant and machinery	Construction in progress	Total
	£'000	£'000	£'000	£'000
Cost				
1 January 2022	31,271	240,650	20,082	292,003
Additions	25	13,665	13,604	27,294
Transfers	47	9,276	(9,323)	-
Disposals	(527)	(4,924)	-	(5,451)
31 December 2022	30,816	258,667	24,363	307,959
Accumulated depreciation				
1 January 2022	18,958	137,392	-	156,350
Charge for the year	629	15,228	-	15,857
Disposals	(523)	(4,253)	-	(4,776)
31 December 2022	19,064	148,367	-	167,431
Net book value				
31 December 2022	11,752	110,300	24,363	146,415
31 December 2021	12,313	103,258	20,082	135,653

All Land is freehold.

The freehold land and buildings held as at 31 December 2022 are subject to fixed and floating charges.

Land cost is £858,000 (2021: £858,000) on which no depreciation is provided.

The net carrying value of plant and machinery held under finance leases as at 31 December 2022 is £3,909,019 (2021: £4,156,000). There were additions in the year of £Nil (2021: £4,282,000), and depreciation of £247,000 (2021: £126,000).

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Inventories

	2022	2021
	£'000	£'000
Raw materials and consumables	6,190	5,344

10 Trade and other receivables

	2022	2021
	£'000	£'000
Trade receivables	348	52
Amounts owed by group undertakings	50,775	66,992
Corporation tax	-	3,868
Other taxation	2,781	4,109
Prepayments and accrued income	885	796
	54,789	75,817

Included within 'Amounts owed by group undertakings' as at 31 December 2022 is a balance of £25.6m on which interest is applied. (2021: £45m). The remaining balance is unsecured, interest free, and repayable on demand.

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Trade and other payables

	2022 £'000	2021 £'000
Trade payables	18,326	18,720
Amounts owed to group undertakings	1,497	4,473
Other Taxation and social security	1,587	1,662
Corporation tax	857	-
Accruals and deferred income	10,408	9,733
	32,675	34,588

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12 Dividends

	2022 £'000	2021 £'000
Paid during the year	20,000	-

No final dividends are proposed.

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Deferred income tax liabilities

The following are the deferred tax liabilities recognised and movements thereon during the current year. Deferred tax is calculated in full on timing differences, based on the rate of 25% substantively enacted at the balance sheet date (2021: 25%).

	Deferred tax	
	2022	2021
	£'000	£'000
At 1 January	25,481	12,443
Additions dealt with in profit or loss	186	9,338
Additions dealt with in other comprehensive (expense)/income	(9,128)	3,700
At 31 December	16,539	25,481

Deferred Tax

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2022	2021
	£'000	£'000
Accelerated capital allowances	11,062	11,115
Short term timing differences	(46)	(27)
Post-employment benefits	5,523	14,392
Total Provision	16,539	25,480

There are no unused tax losses (2021: £nil)

The deferred tax liability is not expected to reverse in 2023.

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Defined Benefit Surplus

The Company operates a defined benefit pension scheme with the assets held in a separately administered fund. A full actuarial valuation was carried out at 1 April 2021 and updated to 31 December 2022 by Mercer who are qualified independent actuaries. The valuation used the projected unit method.

The scheme closed to future accrual with effect 31 December 2018 and all active members at that date became deferred members.

The major assumptions, which are given in the form of weighted averages, used by the actuaries at 31 December were:

	2022 %	2021 %	2020 %
Price inflation	3.00	3.20	2.70
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions and payment*	2.85	3.10	2.65
Rate of increase for deferred pensioners*	2.50	2.60	2.00
Discount rate	5.03	1.90	1.50

* in excess of any Guaranteed Minimum Pension (GMP) element

The mortality assumptions used were as follows:

The mortality table is based on the standard SAPS amounts tables for all pensioners for the relevant sex. An allowance for future improvements has then been applied to the base table from 2006 in line with medium cohort projections with a 1% per annum floor.

The expected lifetime of a participant who is age 65 and the expected lifetime (from age 65) of a participant who will be age 65 in 20 years are shown in years below based on the above-mentioned mortality tables.

	Males		Females	
Age	2022	2021	2022	2021
65	21.2	21.1	23.9	23.7
65 in 20 years	22.5	22.0	25.4	24.9

The assets and liabilities in the schemes at 31 December were:

	Value 2022 £'000	Value 2021 £'000	Value 2020 £'000	Value 2019 £'000
Equities	13,160	75,094	48,411	26,398
Bonds	14,495	49,216	47,777	68,992
Others	107,790	118,037	153,953	143,067
Total market value of assets	135,445	242,347	250,141	238,457
Present value of scheme liabilities	(113,352)	(184,779)	(216,408)	(205,438)
Surplus in the scheme	22,093	57,568	33,733	33,019

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Defined Benefit Surplus (continued)

	2022 £'000
Reconciliation of present value of scheme liabilities:	
1 January	184,779
Past service cost	-
Interest cost	3,260
Benefits paid	(11,492)
Actuarial gain	(63,195)
31 December	113,352

Reconciliation of fair value of scheme assets:		2022 £'000
1 January		242,347
Expected return on scheme assets		4,296
Actuarial loss		(99,706)
Employer contributions		-
Benefits paid		(11,492)
31 December		135,445

Scheme assets do not include any of Ardagh Metal Packaging UK Limited's own financial instruments, or any property occupied by the Company.

The fair value of assets is used to determine the expected investment return during the year. For quoted securities, the current bid value is taken as the fair value.

The actual return on scheme assets in the year was a loss of £95,410,000 (2021: £9,658,000 gain).

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Defined Benefit Surplus (continued)

Analysis of the amounts credited to the income statement is as follows:

	2022 £'000	2021 £'000
Current service cost	-	-
Past service cost	-	2,393
Expected return on pension scheme assets	4,296	3,931
Interest on pension scheme liabilities	(3,260)	(3,310)
Net finance income	1,036	621

The total current service cost is £nil (2021: £nil) included within cost of sales, and £nil (2021: £nil) was included within administrative expenses.

Analysis of the amounts recognised in the statement of comprehensive income is as follows:

	2022 £'000	2021 £'000
Actual return less expected return on pension scheme assets	99,706	(5,727)
Changes in assumptions underlying the present value of the scheme	(63,195)	(15,095)
Actuarial loss/(gain) recognised in statement of comprehensive income	36,511	(20,822)

The valuation at 31 December 2022 is based on an update of a preceding actuarial valuation as at 1 April 2018 and shows a decrease in the surplus from £57,568,000 (as at 31 December 2021) to a surplus of £22,093,000. Further to this, the scheme was closed to new entrants in 2008 and to future accruals 31 December 2018.

Defined contribution scheme

With the defined benefit scheme closed to future accruals 31 December 2018 employees were eligible to join a defined contribution scheme. The cost of contributions to the defined contribution scheme was £4,842,355 (2021: £5,100,000).

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

15 Called-up share capital

	2022 £'000	2021 £'000
Authorised		
1,000 (2021: 1,000) ordinary shares of £1 each	1	1
12,000,000 (2021: 12,000,000) redeemable ordinary shares of £1 each	12,000	12,000
	12,001	12,001
Allotted, issued and fully paid		
	2022 £'000	2021 £'000
1,000 (2021: 1,000) ordinary shares of £1 each	1	1
10,445,000 (2021: 10,445,000) redeemable ordinary shares of £1 each	10,445	10,445
	10,446	10,446

The redeemable ordinary shares are redeemable at par at the option of the Company. The rights to dividends, priority, and amounts receivable on winding up and voting rights attributable to the redeemable shares are the same as those for ordinary shares other than redemption.

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Financial commitments

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

	2022		2021	
	Land & Buildings	Other Assets	Land & Buildings	Other Assets
	£'000	£'000	£'000	£'000
Payments due:				
Operating Leases:				
Not later than one year	54	268	218	409
Later than one year and not later than five years	-	457	-	517
Later than five years	-	-	-	-
Finance Leases:				
Not later than one year	-	581	-	563
Later than one year and not later than five years	-	2,511	-	2,435
Later than five years	-	280	-	937
Total	54	4,097	218	4,861

17 Capital commitments

	2022	2021
	£'000	£'000
Capital expenditure that had been contracted but not provided for at year end	34,443	11,462

Ardagh Metal Packaging UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

18 Contingent liabilities

The Company has given guarantees totalling £1,500,000 (2021: £1,500,000) in respect of bonds to HM Revenue & Customs. The directors do not expect a liability to arise from these arrangements.

19 Related party transactions

Under paragraph 33.1A of FRS 102, the Company has taken advantage of the exemption not to provide details of related party transactions with other group companies due to it being a wholly owned subsidiary of Ardagh Group S.A. whose financial statements are publicly available.

20 Charges and guarantees

The Company was a joint guarantor on a senior secured basis for the senior secured debt of Ardagh Metal Packaging S.A., an indirect parent of the Company. As at 31 December 2022, Ardagh Metal Packaging S.A. had \$1,680 million of senior secured debt outstanding (€450 million 2.00% Senior Secured Notes due 2028, \$600 million 3.25% Senior Secured Notes due 2028, \$600 million 6.00% Senior Secured Notes due 2027). The senior secured debt is guaranteed on a senior basis by Ardagh Metal Packaging S.A.

The Company was a joint guarantor on a senior subordinated basis for the unsecured debt of Ardagh Metal Packaging S.A., an indirect parent of the Company. As at 31 December 2022, Ardagh Metal Packaging S.A. had \$1,583 million of unsecured debt outstanding (€500 million 3.00% Senior Notes due 2029, \$1,050 million 4.00% Senior Notes due 2029). The unsecured debt is guaranteed on a senior basis by Ardagh Metal Packaging S.A.

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

21 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking as at 31 December 2022 was Ardagh Metal Packaging Holdings UK Limited, a company incorporated in the United Kingdom. Ardagh Metal Packaging UK Limited is a 100% subsidiary of Ardagh Metal Packaging Holdings UK Limited.

As at 31 December 2022, the parent undertaking of the smallest group to consolidate these financial statements was Ardagh Metal Packaging S.A., a company incorporated in Luxembourg.

As at 31 December 2022, the ultimate parent undertaking and controlling party was ARD Holdings S.A., the parent undertaking of the largest group to consolidate these financial statements, a company incorporated in Luxembourg.

Copies of Ardagh Metal Packaging S.A.'s and ARD Holdings S.A.'s consolidated financial statements can be obtained from the Company Secretary, ARD Holdings S.A., 56, rue Charles Martel, L-2134 Luxembourg.