Company Registration No. 03074536

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

Annual Report and Financial Statements

For the year ended 30 June 2023

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A J Appleton	(resigned 11 January 2024)
C J Young	
W Moukarzel	
R C Maftei	(resigned 1 July 2023)
A M Ewen	
A M K Abdelraouf	
F Messana	
S Oren	(resigned 22 February 2024)
K Whittington Alderson	(appointed 1 July 2023)
L Middleton	(appointed 22 February 2024)

COMPANY SECRETARY

A J Appleton (resigned 11 January 2024)

REGISTERED OFFICE

The Heights
Brooklands
Weybridge
Surrey
United Kingdom
KT13 0XP

COUNTRY OF INCORPORATION

United Kingdom

REGISTERED OFFICE OF ULTIMATE PARENT COMPANY

The Procter & Gamble Company
1 Procter & Gamble Plaza
Cincinnati
Ohio 45202
USA

BANKERS

Citibank Centre
25 Canada Square
London
E14 5LB

HSBC Bank plc
110 Grey Street
Newcastle upon Tyne
NE1 6JG

AUDITOR

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

STRATEGIC REPORT

The directors present their Annual Report and the audited financial statements for the year ended 30 June 2023. This is the first year that the Company has presented its financial statements under UK -adopted International Financial Reporting Standards (IFRS). The last financial statements under Financial Reporting Standard 102 (FRS 102) were for the year ended 30 June 2022 and the date of transition to IFRS was therefore 1 July 2021.

BUSINESS REVIEW

The principal activity of Procter & Gamble Product Supply (U.K.) Limited (the 'company') is the manufacture of detergents, health and personal care, baby care, beauty care, and other allied products.

The company made a profit after tax during the year of £20,615,000 (2022: £18,641,000), as shown in the profit and loss account on page 12. The increase in profit is driven primarily by an increase in finance income received on the defined benefit pension scheme.

Total assets less total liabilities increased from £414,332,000 to £460,208,000, as a result of the movement in the defined benefit pension position (as described in note 26), partially offset by an change in the deferred tax position. The Statement of Financial Position is shown on page 14.

The Procter & Gamble Company manages its operations on a global business unit basis and for this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business, and consequently consider there to be no additional KPIs other than those on the primary financial statements. The performance of the European region of The Procter & Gamble Company, which includes the company, is discussed in the group's Annual Report, which does not form part of this report

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure is a continuing risk for the company. The main risk is to lose business to other service providers, if they are more efficient and cost effective. The company manages this risk by providing added value services to its customers, and develops and maintains strong relationships with them. In addition, the company runs ongoing cost control and reduction programmes.

The company has no third-party finance exposure. Group risks are discussed in the group's Annual Report, which does not form part of this report.

Liquidity risk is managed on a group-wide basis. The group operates a system whereby any excess cash held by an individual company is transferred to a global cash pool. Similarly, if the company requires additional cash resource it can draw down funds from the cash pool. It has a right to receive the funds held within the cash pool within one day's notice. We are not aware of any circumstances that would impact on the ability of the cash pool to provide the funds we require to remain in operation for the foreseeable future.

Market risk, including foreign exchange rate risk and interest rate risk, have been considered by the directors. The Company mitigates its foreign currency risk exposures by managing its foreign currency transactions at appropriate levels, in consideration of any upward or downward movements in the foreign currency exchange rates. We do not believe that changes in interest rate will have an impact on the Company's profit or loss.

The directors have reviewed the above key risks, and has concluded that the company does not expect that these risks will have a significant impact on the company's ability to continue to operate under the current business model.

SECTION 172 COMPANIES ACT 2006

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, 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 a director to have regard, amongst other matters, to the following:

- 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.

In discharging our section 172 duties the directors of Procter & Gamble Product Supply (U.K.) Limited ("Company") have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholder, other group companies, pension scheme members and other relevant stakeholders. By considering the Company's Purpose, Values and Principles (PVPs) together with its strategic priorities we aim to make sure that our decisions have taken a broad perspective and considered impacts on our stakeholders. Further details of our Purpose, Values and Principles can be found at www.pg.co.uk/policies-and-practices/purpose-values-and-principles/.

We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business, as set out in our Worldwide Business Conduct Manual (available at www.pg.co.uk/policies-and-practices/worldwide-business-conduct-manual/). A sustainably strong business depends on maintaining trust, and that requires maintaining strong ethical and compliance standards and ensuring strong Board leadership and oversight. That is why good governance, including our Purpose, Values, and Principles, is the foundation for everything we do, rather than a separate focus area.

As is normal for large, private companies, we delegate authority for day-to-day management of the Company to senior management, including directors, and then engage management in setting, approving and overseeing execution of the business strategy and related policies. We also have an established Company governance process, led by the delegated Company financial steward (a member of the Company's Board), with quarterly reviews taking place to monitor business performance and controls. Board and governance meetings are held periodically and where key decisions are being considered, Board and governance Board members require detailed review and preparation ahead of the Board meeting. This includes consideration of, and liaison with, stakeholders as appropriate in order that the Board can reach an informed decision. During the year, ongoing reviews were performed when considering citizenship impact, relationships with pension schemes and the proposed payment of dividends.

Fostering business relationships

The Company's key stakeholders are its employees, customers, consumers, suppliers, shareholder, pension scheme members and trustees, relevant regulatory authorities and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational level. We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement by the directors with stakeholders themselves, where appropriate.

Stakeholder engagement can inform our corporate practices, help sharpen our thinking, and strengthen our approach. This journey of partnership ultimately furthers our commitment to build the business, be a good corporate neighbour and to improve lives in the communities where we live and work.

SECTION 172 COMPANIES ACT 2006 (CONTINUED)

Coming Together in Our Communities

Our citizenship efforts reflect the contributions of employees across the Company. Our programmes help ensure P&G people are inspired, feel valued and rewarded, and continue to grow while they build the business and help improve lives in the communities where we live and work.

In our Community Impact work, we support people in need around the world through our brands and products that help restore normalcy in uncertain times. With our partners, we also provide clean drinking water with our Children's Safe Drinking Water Program to support people who lack access to clean water daily.

We have dedicated community programmes to support charities on a regional and local level.

Employee engagement

We regard close and open communication with all employees as a key to our long-term growth and success and our ability to manage change successfully. This commitment is influenced by many factors, not least being a strong sense of involvement with the business.
Open communications give employees the opportunity to provide input into decisions that affect their jobs and careers. Some of the key activities that involve employees are:

- the setting of corporate business goals and progress are communicated to employees by video presentations and local meetings on a regular basis;
- the continued training for employees to develop and implement ways of improving results on an ongoing basis;
- the formation of teams from different parts and levels of the business, both to tackle major projects and to ensure optimum efficiency of the ongoing operation;
- the timely notification to employees of changes to the business, its organisation and its products, and full discussion of the likely effects on them;
- the continued regular issue of internal business and operational updates to all employees;
- the encouragement of employee involvement in company performance through participation in the Procter & Gamble 1-4-1 Plan, which entitles employees to purchase shares in The Procter & Gamble Company; and
- Regular employee surveys to identify general opportunities to further improve employee involvement.

At Procter & Gamble we strive to promote a work environment of confidence and trust. Our Worldwide Business Conduct Manual and Employee Rights Policy provides employees with clear guidance on specific situations they may face and directs them where to go when they have questions or concerns. Procter & Gamble is a recognised leader in providing a safe, healthy, secure and productive work environment. We are committed to maintaining a workplace that is free of violence, harassment, intimidation or other unsafe or disruptive behaviours or conditions due to threats inside or outside of our facilities. Each employee has a personal responsibility to their fellow employees and to the Company to follow all Company safety and security procedures, as well as applicable laws and regulations.

The Procter & Gamble group of companies serves billions of consumers all over the world. Its ability to do this most effectively is enabled by a workforce and culture that understands, respects and reflects the uniqueness of all the consumers we serve—inclusive of all genders, races, ethnicities, sexual orientations, ages and abilities. More balanced and representative leadership, and diversity throughout our organisation, is helping to drive balanced and sustainable growth as we serve an increasingly diverse set of consumers.

SECTION 172 COMPANIES ACT 2006 (CONTINUED)

RESPECTING OUR ENVIRONMENT

Our efforts in Environmental Sustainability are important for creating irresistibly superior products for consumers and for creating value while improving the Procter & Gamble group of companies' environmental impact, enabling consumers to reduce their footprint, and helping society solve some of the most pressing sustainability challenges.

In 2021, the Procter & Gamble group of companies announced a 2040 net zero ambition and published a Climate Transition Action Plan. The Procter & Gamble group of companies has also declared our Ambition 2030 environment sustainability goals aim to create value for consumers and our company while enabling and inspiring positive impact. These goals focus on where we know we can make the biggest positive difference — our brands, our supply chain, society and our employees.

Additional detailed information on our sustainability efforts can be found on our website at https://pginvestor.com/esg.

GOING CONCERN

The directors have considered the UK group's future trading and available liquidity, taking into account possible changes in trading performance.

The company has an Agreement to provide manufacturing services to Procter & Gamble International Operations SA and is remunerated appropriately under the terms of that agreement. At 30 June 2023 the company had cash of £5,000, a receivable of £39,243,000 with the intragroup cash pool, net current assets of £58,921,000 and total assets less total liabilities of £460,208,000. The company also generated a profit for the financial year.

Thus, the directors have a reasonable expectation that the company will continue to operate under the terms of the Agreement and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

FUTURE DEVELOPMENTS

The directors expect the general level of activity of the company to remain stable in the year to 30 June 2024 compared with the current year.

Approved by the Board of Directors and signed on behalf of the Board.

Kathryn Whittington Alderson
Kathryn Whittington Alderson (Mar 22, 2024 12:15 GMT)

K Whittington Alderson
Director

22 March 2024

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

DIRECTORS' REPORT

PRINCIPAL ACTIVITY

The company is a wholly-owned subsidiary of The Procter & Gamble group and operates as part of the group's Western European region. The principal activity of the company is the manufacture of detergents, health and personal care, baby care, beauty care, and other allied products.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year, and subsequently, are shown on page 1. The company has made qualifying third-party indemnity provisions for the benefit of its directors, some of whom are also directors of other group companies, which were made during the year and remain in force at the date of this report.

EMPLOYMENT OF THE DISABLED

The company operates an equal opportunity employment policy. We recognise the responsibility to employ disabled people in suitable employment and to give full and fair consideration to applications for employment made by disabled people. Employees who become disabled are encouraged to continue in employment wherever possible, and all disabled employees are treated in the same way as other employees with regard to career development, training and promotion.

EMPLOYEE INVOLVEMENT AND ENVIRONMENTAL MATTERS

The directors summarise the company's approach to employee engagement and environmental matters in the Strategic Report. Energy and Carbon Reporting is summarised below.

DIVIDENDS

On 6 December 2022 the company paid a dividend of £25,000,000 to Procter & Gamble (Health & Beauty Care) Limited (2022: £nil).

On 29 February 2024 the company paid a dividend of £18,000,000 to Procter & Gamble (Health & Beauty Care) Limited.

No dividends were received in the current or prior year.

GOING CONCERN AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors set out in the Strategic Report the reason for the adoption of the going concern basis in preparing the annual report and financial statements for the Company along with policies in relation to financial and liquidity risk.

The directors summarise the company's approach to engagement with stakeholders, including engagement with suppliers, customers and others, in the section 172 statement starting on page 3 of the Strategic Report.

FOSTERING BUSINESS RELATIONSHIPS

The directors have described business relationships in the Strategic Report.

POLITICAL CONTRIBUTIONS

No contributions were made for political purposes (2022: none).

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

The directors have described future developments in the Strategic Report.

Events after the end of the reporting period have been described in note 31.

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

DIRECTORS' REPORT (CONTINUED)

ENERGY AND CARBON REPORTING

In line with the SECR Regulations the table below details Scope 1 & 2 GHG emissions for Procter & Gamble Product Supply (U.K.) Limited for the financial year 22/23.

GHG Emissions (location-based)	2022/23	2021/22
Energy Consumption used to calculate emissions (MWh)	159,479	176,205
Scope 1 Direct emissions from sites (tCO2e)	14,110	14,980
Scope 2 Electricity indirect emissions (tCO2e)	16,255	19,878
Total annual net emissions (tCO2e)	30,365	34,859
Overall intensity (tCO2e/ £m of turnover)	154.7	191.99

Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3) are regarded as immaterial being less than 1% of total emissions.

All the electric power purchased for our Production facilities is covered by UK wind Renewable Energy Guarantees of Origin. However, in accordance with the current SECR legislation, Scope 2 GHG Emissions have been calculated using the International Energy Agency (IEA) emission factors, using the Location-based calculation method.

Principal Energy Efficiency Actions

The principal actions taken to improve energy efficiency in the last year has been a boiler upgrade and optimising equipment (e.g. pulse air system).

Methodology

GHG emissions were assessed and calculated using energy invoice data and emission factors from the International Energy Agency (IEA) and the US EPA MRR for converting energy usage to carbon dioxide equivalent (CO2(e)) emissions. We have followed the WRI / WBCSD Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition and GHG Protocol Scope 2 guidelines. The emissions data relates to all production sites within the operational control of the Company during the period.

For more information on Procter & Gamble's environment sustainability strategy, please visit https://www.pginvestor.com/esg/environmental.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Kathryn Whittington Alderson
Kathryn Whittington Alderson (Mar 22, 2024 12:15 GMT)

K Whittington Alderson
Director

22 March 2024

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

This responsibility statement was approved by the board of directors on 22 March 2024 and is signed on its behalf by:

By order of the Board

Kathryn Whittington Alderson
Kathryn Whittington Alderson (Mar 22, 2024 12:15 GMT)

K Whittington Alderson
Director

22 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Procter & Gamble Product Supply (U.K.) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities 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 auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists, namely tax and pensions, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- The discount rate assumption used to calculate the defined benefit pension liability represents an area of significant management judgement. Management is required to set reasonable assumptions, around key areas such as discount rate, in order to facilitate the calculation of the liability. Working in conjunction with our pension specialists we benchmarked the key assumptions against our expectation based upon external inputs.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED (CONTINUED)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Giles Murphy

Giles Murphy FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, UK

22 March 2024

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

STATEMENT OF PROFIT AND LOSS
For the year ended 30 June 2023

	Note	June 30 2023 £'000	June 30 2022 £'000
Revenue	7	196,283	181,649
Cost of Sales		(170,402)	(158,149)
Operating profit	9	**25,881**	**23,500**
Finance income - interest income	10	4,642	119
Finance costs - interest expense	11	(71)	(375)
Profit before income tax		**30,452**	**23,244**
Income Tax	12	(9,837)	(4,603)
Profit for the year from continuing operations		**20,615**	**18,641**

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Note	June 30 2023 £'000	June 30 2022 £'000
Profit for the financial year		20,615	18,641
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit obligation	26	67,318	127,511
Deferred tax on defined benefit scheme	23	(13,801)	(24,227)
Deferred tax on defined benefit scheme - increase in the deferred tax rate	23	(3,029)	(7,651)
Other comprehensive income for the year, net of tax		50,488	95,633
Total comprehensive income for the year		**71,103**	**114,274**

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	June 30 2023	June 30 2022	*1 July 2021
		£'000	£'000	£'000
Cash and cash equivalents	13	5	-	2
Trade and other receivables	14	76,068	87,477	59,774
Inventories	15	3,925	3,508	3,350
Prepayments and other current assets	16	32,125	26,569	23,737
Total Current Assets		**112,123**	**117,554**	**86,863**
Property, plant, and equipment	17	318,197	301,457	289,063
Intangible assets	18	338	326	424
Right of Use Assets	19	2,265	647	-
Deferred tax assets	23	2,816	5,468	8,174
Retirement benefit asset	26	160,640	96,296	-
Other non-current assets	20	285	160	103
Total Non-current Assets		**484,541**	**404,354**	**297,764**
Total Assets		**596,664**	**521,908**	**384,627**
Trade and other payables	21	52,584	48,953	36,257
Provisions	22	79	-	-
Lease liability	24	539	138	-
Total Current Liabilities		**53,202**	**49,091**	**36,257**
Provisions	22	5,845	6,258	8,219
Deferred tax liabilities	23	75,654	51,712	18,120
Lease liabilities	24	1,755	515	-
Retirement benefit obligations	26	-	-	22,100
Total Non-current Liabilities		**83,254**	**58,485**	**48,439**
Total Liabilities		**136,456**	**107,576**	**84,696**
Called-up Share Capital	25	70,101	70,101	70,101
Share premium account	25	60,182	60,182	60,182
Retained earnings		329,925	284,049	169,648
Total Equity		**460,208**	**414,332**	**299,931**
Total Liabilities and Shareholders' Equity		**596,664**	**521,908**	**384,627**

*As described in note 3.17 this is the first year that the Company has presented its financial statements under UK -adopted International Financial Reporting Standards (IFRS). The last financial statements under Financial Reporting Standard 102 (FRS 102) were for the year ended 30 June 2022 and the date of transition to IFRS was therefore 1 July 2021.

The financial statements of Procter & Gamble Product Supply (U.K.) Limited, registered number 03074536, were approved by the Board of Directors and authorised for issue on 22 March 2024.

Signed on behalf of the Board of Directors

Kathryn Whittington Alderson
Kathryn Whittington Alderson (Mar 22, 2024 12:15 GMT)

K Whittington Alderson
Director

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

	Note	Called-up share capital	Share premium account	Retained Earnings	Total
		£'000	£'000	£'000	£'000
Balance at 1 July 2021		**70,101**	**60,182**	**169,648**	**299,931**
Profit for the financial year		-	-	18,641	18,641
Remeasurement of net defined benefit asset	26	-	-	127,511	127,511
Tax relating to items of other comprehensive income		-	-	(31,878)	(31,878)
Total comprehensive income		-	-	114,274	114,274
Credit to equity for equity settled share-based payment	27	-	-	247	247
Share based payment exercise costs	27	-	-	(240)	(240)
Tax credit recognised directly in equity		-	-	120	120
Balance at 30 June 2022		**70,101**	**60,182**	**284,049**	**414,332**
Profit for the financial year		-	-	20,615	20,615
Remeasurement of net defined benefit asset	26	-	-	67,318	67,318
Tax relating to items of other comprehensive income		-	-	(16,830)	(16,830)
Total comprehensive income		-	-	71,103	71,103
Credit to equity for equity settled share-based payment	27	-	-	220	220
Share based payment exercise costs	27	-	-	(467)	(467)
Tax credit recognised directly in equity		-	-	20	20
Dividends paid		-	-	(25,000)	(25,000)
Balance at 30 June 2023		**70,101**	**60,182**	**329,925**	**460,208**

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Notes	June 30 2023	June 30 2022
		£'000	£'000
Profit after tax	9	**20,614**	**18,641**
Adjustment to reconcile profit to net cash from operating activities			
Depreciation and gain/ loss on sale of Fixed assets	17	30,162	28,533
Amortisation of right of use assets		426	100
Income tax		9,837	4,603
Difference between pension funding contributions paid and the pension cost charge	26	6,432	8,747
Difference between exercise costs and share based payment expense	27	(247)	7
Finance Income	10	(4,642)	(119)
Finance Expense	11	71	375
Operating cash flows before movements in working capital		**62,653**	**60,887**
Cash Flow from changes in working capital:			
Change in receivables	14	11,205	(424)
Change in inventories	15	(417)	(159)
Change in trade and other payables	21	(458)	5,671
Cash used in operations		**72,983**	**65,975**
Income taxes paid		(5,270)	(2,915)
Net cash from operating activities:		**67,713**	**63,060**
Cashflows for Investment activities:			
Acquisition of fixed assets	17	(46,915)	(40,830)
Change in deposit with group cash pool		3,516	(22,251)
Interest received	10	1,186	120
Net cash from investing activities		**(42,213)**	**(62,961)**
Cashflows from Financing activities:			
Payments for right of use assets		(423)	(94)
Dividends paid		(25,000)	-
Interest expense	11	(72)	(7)
Net cash used in financing activities		**(25,495)**	**(101)**
Change in Cash and Cash Equivalents		**5**	**(2)**
Cash and Cash Equivalents, Beginning of Year		**-**	**2**
Cash and Cash Equivalents, End of Year		**5**	**-**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. GENERAL INFORMATION

Procter & Gamble Product Supply (U.K.) Limited is a wholly-owned subsidiary of The Procter & Gamble group and operates as part of the Group's Western European region. As described in the strategic report, the principal activity of the company is the manufacture of detergents, health and personal care, baby care, beauty care, and other allied products. This will remain the principal activity for the foreseeable future. The company is a privately owned company limited by shares, registered in England. The address of the registered office is given on page 1.

The directors regard The Procter & Gamble Company, a company incorporated in the United States of America, as the ultimate parent company, and Procter & Gamble (Health & Beauty Care) Limited, a company incorporated in the United Kingdom, as the immediate parent company.

The smallest and largest group the company is consolidated into is The Procter & Gamble Company, which is incorporated in the United States of America. Copies of the group financial statements for The Procter & Gamble Company can be obtained from 1 Procter & Gamble Plaza, PO Box 599, Cincinnati, Ohio 45202, USA, which is the company's registered address.

The ultimate controlling party is The Procter & Gamble Company.

The financial statements are expressed in Pound sterling (£) because that is the currency of the primary economic environment in which the Company operates.

2. BASIS OF PREPARATION

Statement of Compliance

Procter & Gamble Product Supply (U.K.) Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards, including UK -adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006. The accounting policies adopted are described below. These have all been applied consistently in both the current and preceding financial years.

For periods up to and including 30 June 2022, the Company prepared its financial statements in accordance with UK generally accepted accounting principles (FRS 102, the Financial Reporting Standard applicable in the UK). These financial statements for the year ended 30 June 2023 are the first the Company has prepared in accordance with UK-adopted International Accounting Standards.

The transition to IFRS has been carried out in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. An explanation of how the transition to IFRS affected the financial statements is set out in note 3.17 'First time adoption of IFRS'.

The financial statements have been prepared on the historical cost basis, except for:

- retirement benefit obligation recognized as the net total of the present value of the defined benefit obligation and the fair value of plan assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

2. BASIS OF PREPARATION (continued)

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position , are set out in the Strategic Report and the Directors' Report.

Liquidity is managed on a group basis across the entire Procter and Gamble Group. The directors are not aware of any circumstances whereby there would be insufficient liquidity in the Procter and Gamble Group to allow the company to meet its obligations as they fall due.

The company has an Agreement to provide manufacturing services to Procter & Gamble International Operations SA and is remunerated appropriately under the terms of that agreement. At 30 June 2023 the company had cash of £5,000, a receivable of £39,243,000 with the intragroup cash pool, net current assets of £58,921,000 and total assets less total liabilities of £460,208,000. The company also generated a profit for the financial year.

Thus, the directors have a reasonable expectation that the company will continue to operate under the terms of the Agreement and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Adoption of new and amended IFRS Accounting Standards that are effective for the current year and those in issue but not yet effective

In the current year, the Company has not applied any amendments to IFRS IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022 as their content is not applicable to the Company and therefore their adoption would have no impact on the disclosures or the amounts reported in these financial statements. Standards issued but not yet effective are not expected to have a significant impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Instruments

Financial assets and financial liabilities are recognized in the financial statements when the Company becomes a party to the contractual provisions of the instrument.

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable, amounts receivable from affiliates, accounts payable, amounts payable to affiliates and accrued liabilities approximate their fair value because of the immediate or short-term maturity of these financial instruments.

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

Financial assets

Classification and subsequent measurement

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. Fair value is determined in the manner described in Note 6.

Financial assets are subsequently measured at amortized cost or fair value on the basis of the entity's business model which is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;

- financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- all other financial assets managed on their fair value basis and equity instruments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if it is neither held for trading nor a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies; and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired (POCI) financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECL), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Financial Instruments (continued)

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount., adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.-

For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the rates of exchange prevailing on the dates of the transactions and exchange differences are recognized in profit or loss.

Impairment of financial assets

The Company does not carry any financial assets which require recognition of a loss allowance for ECL on financial assets measured at amortized cost.

No impairment loss is recognized for investments in equity instruments.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Financial Instruments (continued)

financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate (EIR) method, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Financial Instruments (continued)

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Write-off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default
(i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Financial Instruments (continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3.2 Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. There are no financial liabilities measured at FVTPL.

Financial liabilities measured subsequently at amortized cost

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Financial Liabilities and Equity Instruments (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares

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

Dividends

Dividend distribution to the Company's shareholders is recognized as liability in the Company's financial statements in the period in which the dividends are declared by the Company's Board of Directors.

Retained earnings

Retained earnings represent accumulated profit attributable to equity holders of the Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

3.3 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, Plant and Equipment

Property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

At the end of each reporting period, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Depreciation of property, plant and equipment is calculated on a straight-line basis to write off the cost, less estimated residual value, of each asset over the lesser of its estimated useful life or lease term.

The useful lives of items of property, plant and equipment have been assessed as follows:

Building	20-40 years
Machinery and equipment	4-20 years
Vehicles	4-8 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

Construction-in-progress account consists of development and construction costs of property, plant and equipment incurred during the period of construction. Depreciation is not provided on construction-in-progress account until such assets are completed and ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Impairment of Tangible Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its tangible assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units. Otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

When the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

3.6 Intangible Assets

Separately acquired intangible assets are included at cost and amortised in equal annual instalments over their estimated useful economic life, as set out below. Provision is made for any impairment.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date

Amortisation policy:

Computer software	2 to 5 years

3.7 Stocks

Inventories are measured at the lower of cost, which includes direct labour and factory overheads where appropriate, and estimated selling price less costs to complete and sell. Provision is made where necessary for obsolete and slow-moving inventory. Cost is calculated using the FIFO (first-in, first-out) method.

3.8 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

3.9 Share-based Payments

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

The fair value of share options is measured using the Trinomial Lattice pricing model. The expected life used in the model has been adjusted based on management's estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

When the recharge to Ultimate Parent exceeds expense recognized in profit or loss, the excess is accounted for as a distribution by the Company and will be charged against retained earnings.

3.10 Revenue Recognition

Rendering of services

The Company principally recognises revenue from the provision of contract manufacturing services to group companies. Revenue represents amounts arising from contracts with customers and is measured at the fair value of the consideration received or receivable, net of discounts, value-added tax (VAT) and other sales-related taxes.

Contracts typically require the provision of a group of manufacturing, packaging and storage services provided to the customer's specifications over a period of time. Such services are typically considered to represent a single performance obligation as each promise is satisfied over the same period. Consideration received in respect of such services typically equates to the value of services supplied to the customer to date and the practical expedient has been applied under IFRS 15 to recognise revenue when services are provided for the amount that the Company has a right to invoice for those services.

For the majority of the Company's contracts, invoices are raised in the month or months after the delivery of services. Accrued income arises in relation to services provided that have not been invoiced at the year end. For some contracts payments are received in advance of the performance of the related services and are recognised within deferred income until the related services are delivered.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Revenue Recognition (Continued)

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

3.11 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate, which is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The rates on United Kingdom government bonds were used.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments);
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is presented as a separate line in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Foreign Currencies

Transactions in currencies other than United Kingdom Pound sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Gains and losses arising on retranslation are included in profit or loss for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

3.13 Employee Benefits

Short-term benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of employee incentives and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Post-employment benefits

<u>Defined benefit plan</u>

Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item operating expense.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans.

The Company operates a defined contribution plan accounted for as a defined benefit plan in accordance with regulatory requirements as disclosed in Note 26.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Taxation

Income tax expense represents the sum of current tax expense and deferred tax expense.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss.

3.15 Impairment of non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Events after the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

3.17 First time adoption of IFRS

This is the first year that the Company has presented its financial statements under UK-adopted International Financial Reporting Standards (IFRS). The last financial statements under Financial Reporting Standard 102 (FRS 102) were for the year ended 30 June 2022 and the date of transition to IFRS was therefore 1 July 2021.

Accordingly the company has prepared financial statements that comply with IFRS applicable at 30 June 2023 together with the comparative data for the year ended 30 June 2022, as described in the summary of significant accounting policies.

This note explains the principal adjustments made by the company in restating its FRS102 financial statements including its financial position as at 1 July 2021 and the financial statements for the year ended 30 June 2022.

Estimates

The estimates as at 1 July 2021 and 30 June 2022 are consistent with those made for the same dates in accordance with FRS102 (as described in note 4).

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 First time adoption of IFRS (continued)

	Notes	FRS102 June 30 2021	Reclassifications	Adjustment	IFRS 1 July 2021
		£'000	*£'000*	*£'000*	*£'000*
Cash and cash equivalents		2	-	-	2
Trade and other receivables (including prepayments)	i	83,614	(103)	-	83,511
Inventories		3,350	-	-	3,350
Total Current Assets		**86,966**	**(103)**	**-**	**86,863**
Property, plant, and equipment - net		289,063	-	-	289,063
Goodwill	ii	1,889		(1,889)	-
Intangible assets		424	-	-	424
Deferred tax asset	iii	-	7,961	213	8,174
Retirement benefit asset		-	-	-	-
Other non-current assets	i	-	103	-	103
Total Noncurrent Assets		**291,376**	**8,064**	**(1,676)**	**297,764**
Total Assets		**378,342**	**7,961**	**(1,676)**	**384,627**
Trade and other payables		36,257	-	-	36,257
Total Current Liabilities		**36,257**	**-**	**-**	**36,257**
Provisions		8,219	-	-	8,219
Deferred tax liabilities	iii	10,159	7,960	1	18,120
Retirement benefit obligations		22,099	1	-	22,100
Total Non-current Liabilities		**40,477**	**7,961**	**1**	**48,439**
Total Liabilities		**76,734**	**7,961**	**1**	**84,696**
Share Capital		70,101	-	-	70,101
Share premium account		60,182	-		60,182
Retained earnings	ii iii	171,325	-	(1,677)	169,648
Total Equity		**301,608**	**-**	**(1,677)**	**299,931**
Total Liabilities and Shareholders' Equity		**378,342**	**7,961**	**(1,676)**	**384,627**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 First time adoption of IFRS (continued)

i. £103,000 relating to moulds and dies, deposits and employee loans disclosed in debtors under FRS102 is reclassified to other non current assets for IFRS.

ii. Goodwill of £1,889,000 recognised under FRS102 has been fully impaired for IFRS.

iii. A net deferred tax liability position of £10,159,000 disclosed in provisions under FRS102 has been reclassified under IFRS as a non-current asset of £7,961,000 and non current liability of £18,120,000. In addition an additional deferred tax asset of £213,000 has been recognised under IFRS.

iv. Immaterial costs of £82,000 previously included in revenue have been reclassified in cost of service for IFRS and £108,000 goodwill amortisation charged under FRS102 has been reversed for IFRS. In addition lease depreciation on right of use assets under IFRS exceeds lease expense under FRS102 by £4,000.

v. Lease financing expense on right of use assets of £2,000 has been incurred for IFRS.

	Note	FRS102 June 30 2022 £'000	Change	IFRS June 30 2022 £'000
Service Revenue	iv	181,567	82	181,649
Cost of Service	iv	(158,171)	22	(158,149)
Operating profit		**23,396**	**104**	**23,500**
Interest income		120	(1)	119
Interest expense	v	(373)	(2)	(375)
Profit before income tax		**23,143**	**101**	**23,244**
Income taxes		(4,548)	(55)	(4,603)
Profit for the year from continuing operations		**18,595**	**46**	**18,641**

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a) Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Pensions and post-retirement benefits

A plan surplus is recognised as a defined benefit plan asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan. The directors have considered the guidance provided under IFRIC 14. IFRIC 14 requires that the availability of a refund or reduction in future contributions should be determined on the basis of the terms and conditions of the plan, and any relevant statutory requirements. The directors have reviewed the Rules of the plan and as a result have determined that the company has an unconditional right to receive the surplus and therefore this should be recognised as an asset.

b) Key sources of estimation uncertainty

Key source of estimation uncertainty

Pensions and post-retirement benefits (note 26)

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the yields available on high quality corporate bonds with a term that matches that of the liabilities. The mortality rate is based on publicly available tables for specific post code areas. Future salary increases and pension increases are based on expected future inflation rates. Changes in these assumptions can have a significant effect on the value of the retirement benefit obligation and the resulting asset or liability recognised on the balance sheet.

Further details on the assumptions used can be found in note 26.

5. FAIR VALUE INFORMATION

The Company's non-derivative financial instruments consist mainly of bank balances and cash, bank overdrafts, trade and other receivables, trade and other payables and receivables and payables to group companies (related parties). These financial instruments mentioned are held at amortised cost and the carrying amount approximates fair value because of the immediate and short term nature of the receivables and payables.

The group operates a system whereby any excess cash held by an individual company is transferred to a global cash pool. Similarly, if the company requires additional cash resource it can draw down funds from the cash pool. It has a right to receive the funds held within the cash pool within one day's notice. As such these balances have low credit risk and we are not aware of any circumstances that would impact on the ability of the cash pool to provide the funds we require to remain in operation for the foreseeable future.

Fair values of the Company's financial assets and liabilities are shown below:

	June 30 2023		June 30 2022		June 30 2021	
	Carrying Amount	**Fair Value Amount**	**Carrying Amount**	**Fair Value Amount**	**Carrying Amount**	**Fair Value Amount**
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Cash and cash equivalents	5	5	-	-	2	2
Trade and other receivables	76,068	76,068	87,477	87,477	59,774	59,774
Loans to employees	31	31	23	23	59	59
Total Financial assets	**76,104**	**76,104**	**87,500**	**87,500**	**59,835**	**59,835**
Trade and other payables	52,584	52,584	48,953	48,953	36,257	36,257
Lease liabilities	2,294	2,294	653	653	68	68
Total Financial liabilities	**54,828**	**54,828**	**49,606**	**49,606**	**36,325**	**36,325**

Cash and cash equivalents are immediately accessible and balances with the group cash pool are accessible within one day (note 14). Other current related party receivables and payables are settled within one month (notes 14 and 21). Lease liability maturities are as disclosed in note 24.

6. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks. These risks include market risk (including equity price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

6. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Continued)]

Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on three market risk areas. The objective and management of these risks are discussed below.

Foreign exchange risk

Foreign exchange risk is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars and Euro. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company mitigates its foreign currency risk exposures by managing its foreign currency transactions at appropriate levels, in consideration of any upward or downward movements in the foreign currency exchange rates.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

CURRENCY	2023	2022	2021	2023	2022	2021
	Assets	**Assets**	**Assets**	**Liabilities**	**Liabilities**	**Liabilities**
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
USD	1,192	(2,707)	214	(3,895)	237	(1,158)
EUR	1,476	1,521	1,625	(3,150)	(3,255)	(2,748)
PLN	(3)	(58)	(87)	(5)	15	(25)
CZK	-	-	-	(3)	(27)	(21)
TRY	-	-	-	(88)	(57)	(106)
Other	-	(6)	(21)	(32)	(4)	1
TOTAL	**2,665**	**(1,250)**	**1,731**	**(7,173)**	**(3,091)**	**(4,057)**

The following table details the Company's sensitivity to a 10% increase and decrease in the United Kingdom Pound sterling against the relevant foreign currencies. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at period-end for a 10% change in foreign currency rates. The sensitivity analysis includes all of the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit when the United Kingdom Pound sterling strengthens 10% against the relevant currencies. For a 10% weakening of the United Kingdom Pound sterling against the relevant foreign currencies, there would be an equal and opposite impact on the profit and the balances below would be negative.

6. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Continued)

	June 30 2023	June 30 2022	June 30 2021	June 30 2023	June 30 2022	June 30 2021
CURRENCY	**Assets**	**Assets**	**Assets**	**Liabilities**	**Liabilities**	**Liabilities**
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
	Increase/Decrease by +10%			*Increase/Decrease by -10%*		
USD	119	(271)	21	(389)	24	(116)
EUR	148	152	162	(315)	(325)	(275)
PLN	-	(6)	(9)	-	2	(3)
CZK	-	-	-	-	(3)	(2)
TRY	-	-	-	(9)	(6)	(11)
Other	-	(1)	(2)	(3)	-	-
SENSITIVITY TOTAL	**267**	**(126)**	**172**	**(716)**	**(308)**	**(407)**

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk is the possibility that thc fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash in banks, cash equivalents and loans to employees. Due to short-term maturities of cash and cash equivalents, any movement in market interest rates will not significantly affect profit or loss. Since loans to employees are subject to fixed interest rates, fluctuation in market interest rates will not have an impact on the Company's profit or loss.

Credit risk refers to the possibility that the counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have significant credit risk exposure to any single counterparty.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

6. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by matching the contractual maturities of financial assets and liabilities.

Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders.

The capital structure of the Company consists of debt and equity attributable to ordinary shareholders comprising issued capital and retained earnings. The capital risk of the Company, including liquidity and funding are being reviewed at least once a year.

The Company does not have any externally imposed capital requirements.

7. REVENUE

	2023 £'000	2022 £'000
Geographical analysis of turnover		
Europe	196,283	181,649
	196,283	181,649

All of the company's turnover originates in the United Kingdom.

The company is engaged in the manufacturing of detergents, health and personal care, baby care, beauty care, and other allied products, and, in the opinion of the directors, does not carry on classes of business substantially different from each other. Consequently no segmental analysis of business is presented in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2023 £'000	2022 £'000
Directors' emoluments		
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	704	455
Pension contributions	-	-

Two (2022: three) of the directors accrued benefits under a defined benefit pension scheme in respect of qualifying services to the company.

Five (2022: five) directors exercised share options during the year including the highest paid director.

	2023 £'000	2022 £'000
Highest paid director's remuneration:		
Emoluments (excluding pension contributions, share options and awards in the form of shares)	384	369

The accrued pension benefit relating to the highest paid director is £nil.

	2023 £'000	2022 £'000
Staff costs during the year (including directors)		
Wages and salaries	46,826	39,673
Social security costs	5,604	5,668
Pension costs (note 26)	9,826	8,548
Share based payments (note 27)	220	247
Contribution to employee share plan (note 27)	733	643
	63,209	54,779

Pension costs disclosed above are limited to those charged to operating profit.

	2023 No.	2022 No.
The average monthly number of people employed by the company during the year (including directors) was		
Hourly/technical	735	663
Management/clerical	159	138
	894	801

PROCTER & GAMBLE PRODUCT SUPPLY (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

9. OPERATING PROFIT

	2023 £'000	2022 £'000
Operating profit is arrived at after charging/(crediting):		
Depreciation and other amounts written off fixed assets:		
- Own assets	28,410	26,917
- Computer software amortisation	202	468
Loss on disposal of Property, Plant & Equipment	1,436	1,042
Inventory expensed during the year	3,652	3,665
Reorganisation, restructuring and closure of production facilities	435	(14)
Employee benefit expense	10,779	9,438
Foreign exchange gains	(132)	-

Auditor's remuneration of £152,000 (2022: £108,000) has been incurred for the audit of the company's statutory financial statements. This has been paid by a fellow group company. There were no fees for non-audit services in either the current or prior year.

10. FINANCE INCOME - INTEREST INCOME

	June 30 2023	June 30 2022
	£'000	*£'000*
Financial instruments measured at amortised cost:		
Interest on loans	1,165	109
Other:		
Net interest income on defined benefit obligation	3,456	-
Other interest income	21	10
Total interest income	**4,642**	**119**

11. FINANCE COST - INTEREST EXPENSE

	June 30 2023	June 30 2022
	£'000	*£'000*
Financial instruments measured at amortised cost:		
Interest on bank overdrafts and loans	71	7
Other:		
Net interest expense on defined benefit obligation	-	368
Total interest expense	**71**	**375**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

12. INCOME TAX

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Current tax:				
Current year charge at 20.5% (2022: 19%)	68		-	
IFRS transition impact	-		55	
Adjustment in respect of prior periods	53		63	
Total current tax charge		121		118
Deferred tax (Note 23)				
Origination & reversal of timing differences	9,163		4,616	
Adjustment in respect of prior periods – non defined benefit scheme	553		(129)	
IFRS transition impact	-		(2)	
Total deferred tax charge		9,716		4,485
Tax charge on profit		9,837		4,603

The standard rate of corporation tax applied to reported profit is 20.5% (2022: 19.0%). Following the enactment of Finance Bill 2021 on 24th May 2021, the Corporation Tax Rate increased to 25% effective 1 April 2023, having previously been 19%. Deferred Tax has been recognised at the rate of 25%.

On June 20th, 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%, in relation to the OECD's Global Anti-Base Erosion ('Pillar Two') model rules. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after December 31st, 2023. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. There was no impact on the recognition and measurement of deferred tax balances as a result of the legislation being substantively enacted.

The Group is actively working on systems, processes and reporting implementation to comply with all necessary Pillar Two requirements, which are expected to be effective in the United Kingdom for accounting periods starting from 1 July 2024.

The charge for the year can be reconciled to the profit before tax as follows:

	2023 £'000	2022 £'000
Profit before taxation	30,452	23,244
Tax on profit at standard UK corporation tax rate of 20.5% (2022: 19%)	6,242	4,416
Tax effect of net expenses that are not deductible in determining taxable profit	1,332	1,124
Impact from Share Based Payments	20	38
Impact of capital allowances super-deduction	(1,838)	(2,017)
Effect of changes in tax rate	1,649	1,108
Group relief received from another group company	1,826	-
Adjustment in respect of prior periods	606	(66)
Tax expense for the year	9,837	4,603

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

12. INCOME TAX (CONTINUED)

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

	2023 £'000	2022 £'000
Deferred tax:		
Items that will not be reclassified subsequently to profit and loss:		
Deferred tax on defined benefit scheme	13,801	24,227
Deferred tax on defined benefit scheme - increase in the deferred tax rate	3,029	7,651
Tax expense for the year	16,830	31,878

In addition to the amount charged to profit or loss and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:

	2023 £'000	2022 £'000
Current tax		
Tax Charge/(Credit) related to share-based payments on exercised options	(68)	(54)
Deferred tax		
Tax Charge/(Credit) on estimated excess tax deductions related to share-based payments	48	(66)
Total income tax recognised directly in equity	(20)	(120)

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank demand deposits as well as other short-term, highly liquid nvestments, with original maturities of less than three months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

14. TRADE AND OTHER RECEIVABLES

	June 30 2023	June 30 2022	June 30 2021
	£'000	*£'000*	*£'000*
Value added tax receivables	2,585	4,657	1,835
Related party receivables	72,955	82,289	57,293
Other receivables	528	531	646
Total Trade and Other Receivables	**76,068**	**87,477**	**59,774**

Amounts owed by group undertakings include receivables from the global cash pool of £39,243,000 (2022: £42,759,000). They are unsecured, bear interest based on the daily GBP SONIA rate, have no fixed date of repayment and are repayable on demand. Other amounts owed by group under takings are unsecured and are repayable within less than one month.

No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

15. INVENTORIES

Details of the Company's inventories are as follows:

	Notes	June 30 2023	June 30 2022	June 30 2021
		£'000	*£'000*	*£'000*
Spare Parts		3,925	3,508	3,350
Total Inventory		**3,925**	**3,508**	**3,350**

16. PREPAYMENTS AND OTHER CURRENT ASSETS

	June 30 2023	June 30 2022	June 30 2021
	£'000	*£'000*	*£'000*
Prepaid Income Taxes	31,500	26,202	23,339
Prepaid Expenses	108	130	337
Others	517	237	61
Prepayments and Other Current Assets	**32,125**	**26,569**	**23,737**

Other prepayments include investments of £5,000 (2022: £10,000) held in a custody account. Further details of the custody account are given in note 26.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

17. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Vehicles	Construction in Progress	Total
Gross	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
June 30, 2021	**178,292**	**427,445**	**2,193**	**20,277**	**628,207**
Additions	-	14	-	40,630	40,644
Disposals	(214)	(3,174)	(20)	(10)	(3,418)
Transfers	3,733	29,005	6	(33,021)	(277)
Reclassification	(1,041)	920	-	-	(121)
June 30, 2022	**180,770**	**454,210**	**2,179**	**27,876**	**665,035**
Additions	-	535		46,271	46,806
Disposals	(324)	(5,813)	(54)	(379)	(6,570)
Transfers	1,658	28,308	-	(30,180)	(214)
June 30, 2023	**182,104**	**477,240**	**2,125**	**43,588**	**705,057**
Accumulated Depreciation					
June 30, 2021	**(62,513)**	**(274,898)**	**(1,733)**	**-**	**(339,144)**
Depreciation charge for the year	(3,951)	(22,820)	(146)	-	(26,917)
Disposals	121	2,314	20	-	2,455
Transfers	1,029	(1,001)	-	-	28
June 30, 2022	**(65,314)**	**(296,405)**	**(1,859)**	**-**	**(363,578)**
Depreciation charge for the year	(4,068)	(24,237)	(105)	-	(28,410)
Disposals	2	5,072	54	-	5,128
Transfers	-	-	-	-	-
June 30, 2023	**(69,380)**	**(315,570)**	**(1,910)**	**-**	**(387,861)**
Net book value June 30, 2023	**112,724**	**161,670**	**215**	**43,588**	**318,197**
Net book value June 30, 2022	**115,456**	**157,805**	**320**	**27,876**	**301,457**
Net book value June 30, 2021	**115,779**	**152,547**	**460**	**20,277**	**289,063**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

18. INTANGIBLE ASSETS

	Computer software £'000	Total £'000
Cost		
At 1 July 2021	10,044	10,044
Transfer from construction in progress	277	277
Transfers between classifications	121	121
At 30 June 2022	**10,442**	**10,442**
Disposals	(69)	(69)
Transfer from construction in progress	214	214
At 30 June 2023	**10,587**	**10,587**
Amortisation		
At 1 July 2021	9,620	9,620
Charge for the year	468	468
Transfers between classifications	28	28
At 30 June 2022	**10,116**	**10,116**
Charge for the year	202	202
Disposals	(69)	(69)
At 30 June 2023	**10,249**	**10,249**
Net book value		
At 30 June 2023	**338**	**338**
At 30 June 2022	**326**	**326**
At 30 June 2021	**424**	**424**

Amortisation is included within cost of sales in the statement of profit & loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

19. RIGHT-OF-USE ASSETS

The Company has lease agreements the use of land and drop lots and plant and machinery. The Company also has lease agreements involving car fleets.

As at 1 July 2021, 30 June 2022 and 30 June 2023 management believes that there are no indications of impairment on the Company's right-of-use assets.

	Real Estate	Plant & Equipment	Car fleet	Total
Cost	*£'000*	*£'000*	*£'000*	*£'000*
At 1 July 2021	-	-	-	-
Additions	736	-	12	748
At 30 June 2022	**736**	**-**	**12**	**748**
Additions		2,044		2,044
At 30 June 2023	**736**	**2,044**	**12**	**2,792**
Accumulated Depreciation				
At 1 July 2021	-	-	-	-
Charge for the year	(96)	-	(5)	(101)
At 30 June 2022	(96)	-	(5)	(101)
Charge for the year	(135)	(286)	(5)	(426)
At 30 June 2023	(231)	(286)	(10)	(527)
Net book value				
At 30 June 2023	505	1,758	2	2,265
At 30 June 2022	640	-	7	647
At 1 July 2021	-	-	-	-

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The average lease term for land and buildings is 4 years (2022: 5 years), the average lease term for cars is 3 years (2022: 3 years) and the average lease term for plant & machinery is 5 years (2022: nil).

The Company applied the recognition exemption for short-term leases and low-value leases. Expenses in relation to short term and low value leases were £98,000 (2022: £138,000).

The total cash outflow for leases amounted to £371,000 (2022: £246,000).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate, which is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The rates on United Kingdom government bonds were used in determining the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

20. OTHER NON-CURRENT ASSETS

Details of the Company's other non-current assets are as follows:

	Notes	June 30 2023	June 30 2022	June 30 2021
Other non current assets		36	28	64
Moulds and tools		249	132	39
		285	**160**	**103**

21. TRADE AND OTHER PAYABLES

	June 30 2023	June 30 2022	June 30 2021
	£'000	*£'000*	*£'000*
Trade Payables	35,132	36,761	24,606
Accrued expenses	8,888	9,101	8,442
Other taxation and social security costs	1,625	120	141
Other payables	-	1,239	-
Related party payables	6,939	1,732	3,068
Total trade and other payables	**52,584**	**48,953**	**36,257**

Related party payables are unsecured and are repayable within less than one month.

22. PROVISIONS

	Balance 1 July 2021 £'000	Charged/ (credited) to profit and loss account £'000	Utilised £'000	Balance 30 June 2022 £'000	Current Provisions	Non-Current Provisions
Employee Liability Provision	784	18	-	802	-	**802**
Early retirement allowance	6,037	684	(1,265)	5,456	-	**5,456**
Reorganisation, restructuring and closure of production facilities	1,398	(14)	(1,384)	-	-	-
	8,219	688	(2,649)	6,258	-	**6,258**

	Balance 1 July 2022 £'000	Charged/ (credited) to profit and loss account £'000	Utilised £'000	Balance 30 June 2023 £'000	Current Provisions	Non-Current Provisions
Employee Liability Provision	802	99	-	901	-	**901**
Early retirement allowance	5,456	772	(1,284)	4,944	-	**4,944**
Reorganisation, restructuring and closure of production facilities	-	435	(356)	79	**79**	-
	6,258	1,306	(1,640)	5,924	**79**	**5,845**

Employee Liability Provision

Provisions (totalling £901,000) relate to insurance and employee liability payments expected to be settled in less than 5 years.

Early Retirement Allowances

Provisions (totalling £4,944,000) relate to early retirement allowances expected to last up to 10 years.

The reorganisation, restructure and closure provisions consist of:

Provision for separation allowances expected to be settled in less than one year (£79,000).

23. DEFERRED TAX

The following are the major deferred tax liabilities and assests recognised by the company and movements thereon during the current and prior reporting period:

	Retirement benefit obligation	Capital allowances in excess of depreciation	Share-based payments	Tax losses carried forward	Others	Total
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Restated balance at July 1, 2021	**5,525**	**(18,120)**	**299**	**-**	**2,350**	**(9,946)**
Credit/(Charge) to profit or loss	2,279	(9,518)	(8)	2,883	(122)	(4,486)
Charge to other comprehensive income	(31,878)	-	-	-	-	(31,878)
Charge direct to equity	-	-	66	-	-	66
June 30, 2022	**(24,074)**	**(27,638)**	**357**	**2,883**	**2,228**	**(46,244)**
Credit/(Charge) to profit or loss	744	(7,856)	15	(2,552)	(67)	(9,716)
Charge to other comprehensive income	(16,830)	-	-	-	-	(16,830)
Credit direct to equity	-	-	(48)	-	-	(48)
June 30, 2023	**(40,160)**	**(35,494)**	**324**	**331**	**2,161**	**(72,838)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Provided 2023 £'000	Provided 2022 £'000	Provided 2021 £'000
Deferred Tax Assets			
Stock options	324	357	299
Other timing differences	2,161	2,228	2,350
Tax losses carried forward	331	2,883	-
Deferred tax on pension scheme	-	-	5,525
At 30 June	2,816	5,468	8,174
Deferred Tax Liabilities			
Capital allowances in excess of depreciation	(35,494)	(27,638)	(18,120)
Deferred tax on pension scheme	(40,160)	(24,074)	-
At 30 June	(75,654)	(51,712)	(18,120)
Net Asset / (Liability)	**(72,838)**	**(46,244)**	**(9,946)**

There are no unrecognised deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

24. LEASE LIABILITY

	June 30 2023	June 30 2022	June 30 2021
Maturity analysis	*£'000*	*£'000*	*£'000*
Year 1	560	145	-
Year 2	559	141	-
Year 3	559	140	-
Year 4	523	140	-
Year 5	142	105	-
Less: Unearned interest	(49)	(18)	-
Carrying amount at 30 June	**2,294**	**653**	**-**

	June 30	June 30	June 30
Analysed as:	**2023**	**2022**	**2021**
Non-current	1,755	515	-
Current	539	138	-
Total lease liabilities	**2,294**	**653**	**-**

25. CALLED-UP SHARE CAPITAL AND RESERVES

	2022 £'000	2021 £'000
Authorised:		
250,000,000 ordinary shares of £1 each	250,000	250,000
250,000,000 "A" preference shares of £1 each	250,000	250,000
200,000 preference shares of £1 each	200	200
Called-up, allotted and fully paid:		
70,101,000 ordinary shares of £1 each	70,101	70,101

The Company has one class of ordinary shares issued which carry no right to a fixed income.

The company's other reserves are as follows:

Share Premium

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

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

26. PENSION SCHEMES

The Company sponsors defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The trustees of the pension fund are responsible for the investment policy about the assets of the fund.

The group operates a funded defined benefit pension scheme, The Procter & Gamble Pension Fund (the Fund/PGPF). The related costs are assessed in accordance with the advice of a professionally qualified actuary. The Procter & Gamble Pension Fund assets and liabilities have been allocated between participating employers based on share of contributions to the scheme.

The benefit plans typically expose the entity to actuarial risks such as: asset volatility, bond yield risk, longevity risk and inflation risk. The most significant risks are as follows:

Asset volatility
There is a risk that a fall in asset values for the Fund is not matched by a corresponding reduction in the value placed on the DBO. The Fund holds a proportion of growth assets, which are expected to outperform corporate and government bond yields in the long term, but gives exposure to volatility and risk in the short term.

Change in bond yields
A decrease in corporate bond yields will increase the value placed on each schemes' DBO, although this will be partially offset by an increase in the value of the corporate bond holdings in the case of the Fund.

Inflation risk
The majority of the DBO for the PGPF is linked to inflation, where higher inflation will lead to a higher value being placed on the DBO. Some of the PGPF's assets are either unaffected by inflation or loosely correlated with inflation (e.g. growth assets), meaning that an increase in inflation will generally increase the deficit.

Life expectancy
An increase in life expectancy will lead to an increased value being placed on the DBO. Future mortality rates cannot be predicted.

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund

The aggregated surpluses and deficits recognised for the fund are as follows:

	2023	2022	2021
	£'000	£'000	£'000
Procter & Gamble Fund asset/ (liability)	160,640	96,296	(22,100)

All defined benefit sections of the Procter & Gamble Pension Fund, including those sections coming from acquisitions, are closed to new entrants. All new joiners to the Group since 1 July 2003 enter the Defined Contribution section.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 30 June 2020. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

Role of Trustees and Regulation

The Procter and Gamble Pension Fund is governed and administered by a Board of Trustees which is legally separate from the Group. The Trustees are appointed by both the employer and the members of the fund in compliance with legislation on member nominated trustees. The Trustees are required by law to act in the interest of all beneficiaries and are responsible in particular for the asset investment policy and the day-to-day administration of the benefits. They are also responsible for agreeing with the employer the level of contributions due to the Fund.

The UK pensions market is regulated by The Pensions Regulator, whose statutory objectives and regulatory powers are described on its website, www.thepensionsregulator.gov.uk.

Funding Requirements

UK legislation requires that pension schemes are funded prudently. On a triennial basis, the Trustees and the Group must agree the contributions required (if any) to ensure the Fund is fully funded over an appropriate time-period and on a suitably prudent measure. The last full actuarial valuation of the Procter & Gamble Pension Fund was carried out by a qualified actuary as at 30 June 2020 and following discussions between the Group and the Trustees was finalised in September 2021. The next actuarial valuation is due to take place as at 30 June 2023. Contributions to the Procter & Gamble Pension Fund are paid in accordance with the schedule of contributions which requires that contributions of 53.6% of pensionable salaries be paid into Escrow commencing 1 October 2024. No deficit funding contributions are required.
The actuarial valuation discussed above has been updated to incorporate the use of fair values for investments and the use of a corporate bond rate to discount liabilities, in accordance with IAS 19.

GMP Equalisation

A UK High Court Judgement was issued on 26 October 2018 relating to Guaranteed Minimum Pensions ("GMP"). Although the ruling relates to the Lloyds Banking Group pension schemes, it creates a precedent for other UK defined benefit pension schemes. The ruling requires the equalisation of member benefits earned between 1990 and 1997 to address gender inequality in instances where GMP benefits are currently unequal. While there remains some uncertainty, the Group has included a provision in the 30 June 2022 pension obligation of £2MM across the total Group. The estimated impact is based on the broad profile of the Fund (ie age profile, service profile and GMP proportion). Further work will be carried out with the Trustees to determine the method of equalisation and exact impact.

During previous years the company made contributions to a separate account held outside of the UK Pension Fund. The assets held in this account were mostly repaid to the company during the year ended 30 June 2019. The structure of this separate account is a custody account with Citibank which holds assets on trust on behalf of each participating company. As at 30 June 2023 the company had £5,000 (2022: £10,000) held in this account within other receivables (note 14). All assets in the account were invested in cash.

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund (continued)

The actuarial valuation discussed above has been updated to incorporate the use of fair values for investments and the use of a corporate bond rate to discount liabilities, in accordance with IAS19. This was carried out at 30 June 2020 and has been updated to reflect the circumstances at the balance sheet date. The major assumptions used by the actuary were:

	30 June 2023 % pa	30 June 2022 % pa	30 June 2021 % pa
Price inflation	3.30	3.20	3.20
Rate of increase in pay	2.90	2.70	2.70
Rate of increase of pension in payment*	3.10	3.00	3.00
Rate of increase for deferred pension – pre 2009	2.90	2.70	2.70
Rate of increase for deferred pension – post 2009	2.90	2.70	2.70
Discount rate – DBO	5.22	3.69	1.89
Discount rate – Service Cost	5.15	3.69	1.92
Discount rate – Interest Cost on DBO	5.52	3.64	1.67
Discount rate – Interest Cost on Service Cost	5.33	3.67	1.78

*In excess of any Guaranteed Minimum Pension ('GMP') element and subject to maximum limits stated in the scheme rules.

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2023 Years	2022 Years	2021 Years
Retiring today:			
Male	22.1	22.3	22.2
Female	24.3	24.8	24.8
Retiring in 20 years:			
Male	23.3	23.6	23.5
Female	25.7	26.2	26.2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund (continued)

The assets and liabilities of the Procter & Gamble section operated by the company at 30 June 2023, along with the amounts recognised in the profit & loss account are shown below:

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(642,887)	(774,358)
Fair value of section assets	803,527	870,654
Net assetrecognised in the balance sheet	160,640	96,296

The amounts recognised in the profit or loss are as follows:

	2023 £'000	2022 £'000
Current service cost	(3,992)	(6,093)
Administration cost	-	(349)
Net interest income/ (expense)	3,456	(368)
Total pension expense recognised in the profit & loss account	(536)	(6,810)

The amounts recognised in the statement of comprehensive income are as follows:

	2023 £'000	2022 £'000
Other actuarial gains / (losses) - Experience	(24,824)	(35,003)
Other actuarial gains / (losses) - Demographic Assumptions	9,771	(3,044)
Other actuarial gains / (losses) - Financial Assumptions	152,761	299,837
Actuarial Gain /(Loss) on DBO Arising During Period	137,708	261,790
Actual return on plan assets (greater) / less than discount rate	(70,390)	(134,279)
Remeasurement gains/(losses) recognised in other comprehensive income	67,318	127,511

The total costs recognised in comprehensive income are as follows

	2023 £'000	2022 £'000
Income / (Cost) recognised in profit & loss	(536)	(6,810)
Remeasurement effects recognised in OCI	67,318	127,511
The total income recognised in comprehensive income	66,782	120,701

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund (continued)

Reconciliation of net balance sheet position :

	2023 £'000	2022 £'000
Opening net defined benefit asset /(obligation)	96,296	(22,100)
Total pension income/ (expense) recognised in the profit & loss account	(536)	(6,810)
Remeasurement gains and losses recognised in other comprehensive income	67,318	127,511
Employer Contributions paid to plan assets	336	349
Transfer to DC scheme	(2,774)	(2,654)
Closing net defined benefit asset	160,640	96,296

Changes in the present value of the defined benefit obligation are as follows:

	2023 £'000	2022 £'000
Opening defined benefit obligation	(774,358)	(1,044,280)
Service cost	(3,992)	(6,093)
Past service cost	-	-
Interest cost	(27,703)	(17,219)
Plan Participants Contributions	(27)	(27)
Other actuarial gains / (losses) - Experience	(24,824)	(35,003)
Other actuarial gains / (losses) - Demographic Assumptions	9,771	(3,044)
Other actuarial gains / (losses) - Financial Assumptions	152,761	299,837
Benefits paid	25,485	31,471
Closing defined benefit obligation	(642,887)	(774,358)

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

	2023 £'000	2022 £'000
Opening fair value of section assets	870,654	1,022,181
Interest income on plan assets	31,159	16,850
Return on plan assets greater than discount rate	(70,390)	(134,279)
Contributions by employer	336	349
Plan Participants Contributions	27	26
Benefits paid	(25,485)	(31,471)
Expenses paid	-	(348)
Transfers to DC scheme	(2,774)	(2,654)
Closing fair value of section assets	803,527	870,654

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund (continued)

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

	2023	2022	2021
Equity Securities	38%	45%	43%
Corporate Bonds	62%	31%	26%
Government Bonds	0%	23%	30%
Property	0%	0%	0%
Cash	0%	1%	1%
Total	100%	100%	100%

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

	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
	Quoted	Quoted	Quoted	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	1,527	4,353	7,155	1,527	4,353	7,155
Equity instruments	303,813	394,406	415,006	303,813	394,406	415,006
Bonds	498,187	471,895	600,020	498,187	471,895	600,020
Subtotal equity	**803,527**	**870,654**	**1,022,181**	**803,527**	**870,654**	**1,022,181**
Total	**803,527**	**870,654**	**1,022,181**	**803,527**	**870,654**	**1,022,181**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The activity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease (increase) by the below amounts and if the expected salary growth increases (decreases) by 1 per cent, the defined benefit obligation would increase (decrease) by the below amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

26. PENSION SCHEMES (CONTINUED)

A. The Procter & Gamble Pension Fund (continued)

Procter & Gamble section asset / (liability)	Change in Assumption	Increase / (Decrease) on Retirement Benefit Obligation 2023	2022
		£'000	*£'000*
Discount rate	+100 basis points	(79,362)	(113,393)
	-100 basis points	98,949	146,309
Expected salary growth rate	+100 basis points	57,559	94,472
	-100 basis points	(57,436)	(97,246)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

B. Defined Contribution Scheme

The Group operates a defined contribution retirement benefit scheme for all employees employed post 1 July 2003. The assets of the scheme are held separately from those of the company in funds under the control of the trustees.

The total cost charged to cost of sales of £3,066,000 (2022: £2,455,000) represents contributions payable to this scheme by the company at rates specified in the rules of the plan.

There is no outstanding or prepaid contribution at the balance sheet date.

27. EQUITY-SETTLED SHARE OPTION SCHEME

The Ultimate Parent has a primary share-based compensation plan under which share options are granted annually to key managers and directors of its subsidiaries with exercise prices equal to the market price of the underlying shares on the date of grant. In addition to the key manager and director grants, the Ultimate Parent makes other minor share options grants to employees for which the terms are not substantially different.

Options are exercisable at a price equal to the average quoted market price of the parent company's shares on the date of grant. The vesting period is three to five years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest, excluding short term achievement awards which vest immediately at grant date. The company measures its share-based payment expense as a proportion of the expense recognised for the entire share-based payment scheme based on the number of employees participating in the scheme.

The company operates a restricted stock units scheme for certain key managers; some shares granted vest immediately and some shares vest for up to a period of 6 years and are settled in shares of common stock. In addition to the share option schemes and restricted stock units scheme the company contributes towards an employee share plan. As there is no vesting period the contributions made are recognised immediately as an expense.

The company recognised total expenses of £220,000 and £247,000 related to equity-settled share-based payment transactions (including restricted stock units) in 2023 and 2022 respectively. In addition to the share option scheme and the restricted stock units scheme the company contributes towards an employee share plan. As there is no vesting period the contributions made are recognised immediately as an expense. The company has recognised an expense of £733,000 and £643,000 related to the employee share plan transactions in 2023 and 2022 respectively.

With effect from 1 July 2021 the company has been recharged stock option exercise costs and restricted stock unit vesting costs compensation costs by The Procter & Gamble Company. The cost of £467,000 for the year ended 30 June 2023 has been charged to retained earnings (2022: £240,000).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2023 Shares	2023 weighted average exercise price per share		2022 Shares	2022 weighted average exercise price per share	
Options outstanding 1 July	43,195	$	106.08	39,479	$	94.73
Options granted	4,458	$	134.93	9,693	$	144.23
Options exercised	(6,994)	$	78.16	(2,966)	$	78.84
Options expired	(100)	$	69.16	(100)	$	62.78
Options transferred-in	3843	$	141.24	-	$	-
Options transferred-out	(619)	$	145.12	(2,911)	$	113.23
Options outstanding 30 June	**40,783**	**$**	**113.90**	**43,195**	**$**	**105.75**
Options exercisable, end	**21,252**	**$**	**89.44**	**25,872**	**$**	**83.71**

27. EQUITY-SETTLED SHARE OPTION SCHEME (CONTINUED)

Movements in the number of RSU options outstanding and their related weighted average exercise prices are as follows:

	2023		2022		
	Shares	**weighted average exercise price per share**	**Shares**	**weighted average exercise price per share**	
Options outstanding 1 July	2,180	128.29	3,183	$	114.63
Options granted	1,665	132.70	806	$	139.58
Dividends granted	80	130.84	61	$	121.03
Options exercised	(949)	113.23	(650)	$	98.55
Options cancelled	(268)	133.88	-	$	-
Options transferred-in	347	136.72	2	$	-
Options transferred-out	(82)	139.24	(1,221)	$	115.56
Options outstanding 30 June	**2,973**	**135.79**	**2,180**	**$**	**128.29**

In calculating the compensation expense for options granted, the Ultimate Parent estimated the fair value of each grant using the trinomial lattice-based model for the valuation of share option grants. Assumptions utilized in the model, which are evaluated and revised as necessary to reflect market conditions and experience, were as follows:

	30 June 2023	30 June 2022
Weighted average share price	113.90	96.01
Weighted average exercise price	89.44	83.91
Expected volatility	21%	19%
Expected life	8.8	9.1
Risk-free rate	3.7%	1.5%
Expected dividend yields	2.6%	2.4%

28. CAPITAL COMMITMENTS

The unspent balance of authorised capital expenditure for tangible fixed assets at 30 June, for which no provision has been included in these financial statements, comprises:

	2023 £'000	2022 £'000	2021 £'000
Contracts placed	12,255	10,987	11,522
Contracts not yet placed	43,468	29,475	22,058
	55,723	40,462	33,580

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 June 2023

29. STATEMENT OF CASH FLOWS

The company is a member of the Procter & Gamble global cash pool whereby any excess cash held by an individual company is transferred to a global cash pool. Similarly if the company requires additional cash resources it can draw down funds from the cash pool. It has an unencumbered right to receive the funds held within the cash pool within one day's notice. The balance with the cash pool is disclosed as a related party receivable. Amounts owed by other related parties include £39,243,000 (2022: £42,759,000) in respect of balances held with the global cash pool.

Details of the Company's cash and cash equivalents are as follows:

	June 30 2023	June 30 2022	June 30 2021
	£'000	*£'000*	*£'000*
Cash at bank	5	-	2

Reconciliation of liabilities arising from financing activities

	Balance 1 July 2021 £'000	Cash Flows £'000	Non Cash changes £'000	Balance 30 June 2022 £'000
Right of use liability	-	(97)	750	653

	Balance 1 July 2022 £'000	Cash Flows £'000	Non Cash changes £'000	Balance 30 June 2023 £'000
Right of use liability	653	(423)	2,064	2,294

30. RELATED PARTY TRANSACTIONS

Directors' remuneration is disclosed in note 8.

The ultimate Holding Company refers to The Procter & Gamble Company incorporated in the United States of America. Related companies in these financial statements refer to members of the ultimate parent's group of companies.

The summary of the Company's transactions and outstanding balances with related parties as at and for the year ended June 30, 2023 is as follows:

Related Party	Service Income		Service Fee		Other Sales and Purchases	
	2023	2022	2023	2022	2023	2022
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Ultimate Holding Company	-	-	-	-	316	181
Other Related Party	(195,052)	(183,740)	1,625	856	(2,795)	(8,263)
Total	**(195,052)**	**(183,740)**	**1,625**	**856**	**(2,479)**	**(8,082)**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

The following amounts were outstanding at the reporting date:

RELATED PARTY	Amounts owned by Related Parties			Amounts owned to Related Parties		
	2023	2022	2021	2023	2022	2021
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Ultimate Holding Company	8	5	-	(128)	(90)	(1,133)
Other Related Party	72,947	82,284	57,293	(6,811)	(1,642)	(1,935)
Total	**72,955**	**82,289**	**57,293**	**(6,939)**	**(1,732)**	**(3,068)**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Company is set out below in aggregate for each of the categories specified in IAS 24, *Related Party Disclosures*

	2023	2022
	£'000	*£'000*
Short term benefits	760	456
Post-employment benefits	-	-
Share based payment	70	26
Total	**830**	**482**

31. EVENTS AFTER THE REPORTING PERIOD

On 29 February 2024 the company paid a dividend of £18,000,000 to Procter & Gamble (Health & Beauty Care) Limited.