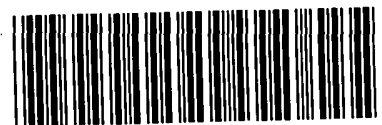


Ardagh Holdings (UK) Limited

Annual Report and Financial Statements  
for the year ended 31 December 2021

Registered number: 03691714

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# **Ardagh Holdings (UK) Limited**

Annual report and financial statements  
for the year ended 31 December 2021

<b>Contents</b>	<b>Page(s)</b>
Strategic Report for the year ended 31 December 2021	1 - 2
Directors' Report for the year ended 31 December 2021	3 - 4
Independent Auditor's Report to the Members of Ardagh Holdings (UK) Limited	5 - 7
Profit and Loss Account for the year ended 31 December 2021	8
Balance Sheet as at 31 December 2021	9
Statement of Changes in Equity for the year ended 31 December 2021	10
Notes to the Financial Statements for the year ended 31 December 2021	11 – 19

# **Ardagh Holdings (UK) Limited**

## **Directors and Advisors**

### **Directors**

M Rozmus  
J Sheehan  
M Leonard  
J Clarke  
S M Santon  
H Bonne

### **Company secretary**

M Sarai

### **Registered office**

Headlands Lane  
Knottingley  
West Yorkshire  
WF11 0HP

### **Independent auditors**

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

### **Solicitors**

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

### **Bankers**

Citibank NA  
Canada Square  
Canary Wharf  
London  
E14 5LB

# **Ardagh Holdings (UK) Limited**

## **Strategic report for the year ended 31 December 2021**

The directors present their annual report and the audited financial statements of Ardagh Holdings (UK) Limited (“the Company”) for the year ended 31 December 2021. These financial statements are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

### **Review of business**

The Company’s principal activity is that of a holding company which is domiciled and incorporated in the United Kingdom. The principal activities of Ardagh Holdings (UK) Limited’s trading subsidiaries are that of the manufacture of glass and metal containers. The registered office is also the principal place of business with the address as set out on the previous page.

### **Development and performance during the year**

The Company’s profit for the financial year is £92,644,000 (2020: profit of £28,398,000).

The directors do not recommend the payment of a final dividend (2020: £nil).

### **Position at the year end and future outlook**

The net asset position at 31 December 2021 is £817,263,000 (2020: £724,619,000). The directors expect the Company to remain in its current state as an investment holding company.

### **Principal risks and uncertainties and financial risks**

The Company’s operations also expose it to a variety of financial risks such as foreign exchange rate volatility and debt service obligations. Ardagh Group S.A., Ardagh Holdings (UK) Limited’s ultimate parent undertaking, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company (and the group) by monitoring levels of debt finance and the related finance costs for the group as a whole. Details of this programme are more fully disclosed in the financial statements of Ardagh Group S.A., including how all of our risk factors are addressed and managed.

### **Key performance indicators (“KPIs”)**

Given the straightforward nature of the company’s business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Section 172(1) statement**

Directors are required by Section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, Section 172 requires Directors to have regard to:

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

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

# Ardagh Holdings (UK) Limited

## Strategic report for the year ended 31 December 2021 (continued)

### Section 172(1) statement (continued)

#### *Stakeholders*

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

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

The identified stakeholders are the ultimate shareholders of the Ardagh Group. The Board engages with the shareholders through ongoing dialogue, timely reporting, conference participation, and individual engagement.

#### *Governance*

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

Approved by and signed on behalf of the board



J Clarke  
**Director**

7 September 2022

# **Ardagh Holdings (UK) Limited**

## **Directors' report for the year ended 31 December 2021**

### **Directors**

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

M Rozmus  
J Passant (Resigned 30 June 2021)  
D Matthews (Resigned 26 October 2021)  
J Sheehan  
M Leonard  
J Clarke  
S M Santon (Appointed 1 July 2021)  
H Bonne (Appointed 2 December 2021)

### **Results and dividend**

The profit for the financial year is £92,644,000 (2020: profit of £28,398,000). The directors do not recommend the payment of a final dividend (2020: £nil).

### **Going concern**

The financial statements have been prepared on a going concern basis. The directors believe that preparing the financial statements on the going concern basis is appropriate as they have received confirmation that intercompany credit loans due by the Company will not be recalled for at least one year after these financial statements are signed.

Based on this understanding the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

### **Directors' indemnity**

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

### **Financial risk management**

The Company's operations expose it to a variety of business and financial risks. Ardagh Group S.A., Ardagh Holdings (UK) Limited ultimate parent undertaking, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company (and the group) by monitoring levels of debt finance and the related finance costs for the group as a whole. Details of this programme are more fully disclosed in the financial statements of Ardagh Group S.A (refer note 14), including how all of our risk factors are addressed and managed.

### **Directors' duties**

The board of directors of Ardagh Holdings (UK) Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021.

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

### **Stakeholder engagement**

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

# Ardagh Holdings (UK) Limited

## Directors' report for the year ended 31 December 2021 (continued)

### Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Future developments

Future developments are discussed within the Strategic Report.

### Independent auditors

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

On behalf of the Board



J Clarke  
Director

7 September 2022

# **Ardagh Holdings (UK) Limited**

## **Independent auditors' report to the members of Ardagh Holdings (UK) Limited**

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

### **Opinion**

In our opinion, Ardagh Holdings (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: balance sheet as at 31 December 2021; profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

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

### **Independence**

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

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

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

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

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

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

### **Reporting on other information**

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

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



# **Ardagh Holdings (UK) Limited**

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

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

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

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting entries to manipulate the financial statements and the use of overly optimistic assumptions within the investment impairment assessment. Audit procedures performed by the engagement team included:

- testing financial statement balances to supporting documentation;
- enquiring with management and those charged with governance to understand the relevant laws and regulations applicable to the company, and their assessment of fraud related risks; and
- challenge of key assumptions and judgements used within the investment impairment assessment, with corroboration to supporting documentation.

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

# Ardagh Holdings (UK) Limited

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Rebecca Gissing (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
7 September 2022

# Ardagh Holdings (UK) Limited

## Profit and Loss Account for the year ended 31 December 2021

		2021	Restated*
	Note	£'000	2020 £'000
Administrative expenses	2	288	(11,350)
<b>Operating profit/(loss)</b>	3	<b>288</b>	<b>(11,350)</b>
Income from shares in group undertakings	4	98,230	44,997
Interest payable and similar expenses	5	(8,730)	(8,969)
<b>Profit before taxation</b>		<b>89,788</b>	<b>24,678</b>
Tax on profit	6	2,856	3,720
<b>Profit for the financial year</b>		<b>92,644</b>	<b>28,398</b>

\* Please refer to note 15 for details of the restatement to comparative figures.

All of the results in 2021 and 2020 relate to those of continuing operations.

There is no other comprehensive income/(expense) for the year (2020: £nil).

The notes on pages 11 to 19 are an integral part of these financial statements.

**Ardagh Holdings (UK) Limited**

Registered number: 03691714

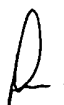
# Ardagh Holdings (UK) Limited

## Balance Sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed Assets</b>			
Investments	7	879,466	1,026,815
		<b>879,466</b>	<b>1,026,815</b>
<b>Current assets</b>			
Debtors	8	196,879	72,869
		<b>196,879</b>	<b>72,869</b>
Creditors: amounts falling due within one year	9	(259,082)	(375,065)
		<b>(259,082)</b>	<b>(375,065)</b>
<b>Net current liabilities</b>		<b>(62,203)</b>	<b>(302,196)</b>
<b>Total assets less current liabilities</b>		<b>817,263</b>	<b>724,619</b>
<b>Net assets</b>		<b>817,263</b>	<b>724,619</b>
<b>Capital and Reserves</b>			
Called up share capital	10	6,713	6,713
Capital contribution reserve		150,112	150,112
Share premium account		503,804	503,804
Profit and loss account		156,634	63,990
<b>Total shareholders' funds</b>		<b>817,263</b>	<b>724,619</b>

The notes on pages 11 to 19 are an integral part of these financial statements.

The financial statements of Ardagh Holdings (UK) Limited (registered number: 03691714) on pages 8 to 19 were approved and authorised for issue by the Board of Directors on 7 September 2022 and were signed on its behalf by:



J Clarke  
Director

# Ardagh Holdings (UK) Limited

## Statement of Changes in Equity for the year ended 31 December 2021

	Called up Share capital	Capital contribution reserve	Share premium account	Profit and Loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
<b>At 1 January 2020</b>	<b>6,713</b>	<b>150,112</b>	<b>503,804</b>	<b>35,592</b>	<b>696,221</b>
Profit for the financial year	-	-	-	28,398	28,398
<b>At 31 December 2020</b>	<b>6,713</b>	<b>150,112</b>	<b>503,804</b>	<b>63,990</b>	<b>724,619</b>
<b>At 1 January 2021</b>	<b>6,713</b>	<b>150,112</b>	<b>503,804</b>	<b>63,990</b>	<b>724,619</b>
Profit for the financial year	-	-	-	92,644	92,644
<b>At 31 December 2021</b>	<b>6,713</b>	<b>150,112</b>	<b>503,804</b>	<b>156,634</b>	<b>817,263</b>

The notes on pages 11 to 19 are an integral part of these financial statements

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021

### 1 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements were prepared on a going concern basis.

#### Basis of preparation

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

The Company is a qualifying entity for the purposes of FRS 101. Note 14 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

- Statement of cash flows (IAS 1.10(d))
- Capital risk management (IAS 1.134-136)
- Related party transactions (IAS 24)
- Financial instruments (IFRS 7)
- Accounting policies issued but not yet effective (IAS 8.30-31)
- Requirements for a third balance sheet (IAS 1.40A-D)

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

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

#### Critical accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting estimates and judgements for Ardagh Holdings (UK) Limited pertain primarily to the growth rates used in the value in use assessment which supports the carrying value of investments (note 7).

#### New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2021 that have had a material impact on the group. No new standards or interpretations have been adopted in the year.

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### Recent accounting pronouncements

The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after 1 January 2021 have been assessed by the Directors and no new standards or amendments to existing standards effective 1 January 2021 are currently relevant for the Company. The Directors' assessment of the impact of new standards, which are not yet effective and which have not been early adopted by the Company, on the financial statements and disclosures is on-going and is set out below.

#### Borrowings

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

#### Current taxation

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

#### Deferred taxation

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

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

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

#### Called up share capital

Ordinary shares are classified as equity.

#### Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less or no fixed repayment terms. If not, they are presented as non-current liabilities.

#### Dividends

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

#### Dividends received

Dividends received are recognised in the accounting year in which they are received.

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### Foreign currencies

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

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

#### Investments

Investments are held at cost stated at the historic sterling value at the time of investment other than where overseas investments are designated as hedged items under hedge accounting.

The carrying value is regularly reviewed. If there is evidence of impairment the carrying amount is reduced to its recoverable amount.

#### Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in other comprehensive income are recycled to the consolidated income statement in the periods when the hedged item will affect profit or loss.

Amounts accumulated in other comprehensive income are recycled from equity to the profit and loss account in the period during which the hedged item will affect the income statement. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity and is recognised when the forecast cash flow arises. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Profit and Loss Account.

the use of an allowance account and the amount of the loss is recognised in the Profit and Loss Account within "administrative expenses".

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

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



# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### Debtors

Debtors are recognised initially at fair value less provision for impairment. A provision for impairment of a debtor is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. Debtors are subsequently measured at amortised cost using the effective interest method.

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

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

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through

#### Going concern

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

After reviewing the Company's forecasts and projections, together with current and anticipated levels of available liquidity, and having confirmation from Ardagh Glass Limited that intercompany loans due by the Company will not be recalled for at least one year after the approval date of these financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were authorised for issue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 2 Administrative expenses

In the prior year the Company recognised £13,506,000 of costs that were incurred and recharged by the Group in dealing with the Covid-19 pandemic. In the current year there was a foreign exchange gain recognised on the settlement of these costs of £288,000. These were included within administrative expenses.

### 3 Operating profit

The Company's auditors are remunerated by the Company's subsidiary undertaking, Ardagh Glass Limited. No recharges in respect of audit fees have been made by the Company's subsidiary undertaking (2020: £nil).

The Company has no employees other than the directors (2020: none) and none of the directors received any remuneration in respect of their services to the Company (2020: £nil). No non audit fees were paid during the year (2020: £nil).

### 4 Income from shares in group undertakings

	2021	2020
	£'000	£'000
Dividend receivable from subsidiary undertaking	98,230	44,997

### 5 Interest payable and similar expenses

	2021	2020
	£'000	£'000
<b>Interest payable and similar expenses:</b>		
Interest payable on group borrowings	8,730	7,468
Foreign exchange loss on intercompany loans	-	1,501
	8,730	8,969

### 6 Tax on profit

Analysis of credit in the year	2021	2020
	£'000	£'000
Current tax - continuing operations		
- UK corporation tax on profits of the year	(240)	(3,082)
- Overseas tax	-	2,198
- Adjustment in respect of prior years	(2,616)	(2,836)
<b>Total current tax</b>	<b>(2,856)</b>	<b>(3,720)</b>

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 6 Tax on profit (continued)

Tax expense for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before tax	89,788	24,678
Profit before tax multiplied by rate of corporation tax in the UK of 19% (2020: 19%)	17,060	4,689
Effects of:		
Expenses not deductible for tax purposes	1,364	2,566
Income not taxable: dividend receivable (2020: dividend receivable)	(18,664)	(8,550)
Timing differences where deferred tax is not provided	-	(1,797)
Adjustment in respect of prior years	(2,616)	(2,836)
Withholding tax on foreign source dividend	-	2,198
Sundry items	-	10
<b>Total tax credit for the year</b>	<b>(2,856)</b>	<b>(3,720)</b>

The Company received a distribution in 2021 from its wholly owned UK subsidiary.

The Company received a distribution in 2020 from its wholly owned US subsidiary; a rate of 5% was used for withholding tax.

Factors that may affect future tax charge:

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation was enacted on 24 May 2021. No deferred tax is recognised by the Company.

### 7 Investments

	Shares £'000	Total £'000
<b>Cost and net book value</b>		
At 1 January 2021	1,026,815	1,026,815
Additions	17,000	17,000
Disposals	(164,349)	(164,349)
At 31 December 2021	879,466	879,466

Ardagh Packaging UK Holdings Limited was incorporated on 17 May 2021 and 100% of the shares were allotted to Ardagh Holdings (UK) Limited. Ardagh Holdings (UK) Limited subscribed for additional common stock of its wholly owned subsidiary on 15 July 2021 for total consideration of £17,000,000.

The Company's entire investment in Ardagh Metal Beverage USA Inc. was sold on 1 April 2021; there was no profit or loss on disposal.

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 7 Investments (continued)

Details of the Company's investments in subsidiary undertakings are shown below.

Name of company	Country of registration, incorporation and operation	Holding	Proportion Held	Nature of Business
Ardagh Glass (UK) Limited	England and Wales <sup>a</sup>	Ordinary shares	100%	Holding company
Ardagh Glass Limited	England and Wales <sup>a</sup>	Ordinary shares	100% <sup>*1</sup>	Manufacture of glass containers
Ardagh Services (UK) Limited	England and Wales <sup>a</sup>	Ordinary shares	100% <sup>*1</sup>	Non-trading company
Ardagh (UK) 2017 Trustee Limited	England and Wales <sup>a</sup>	Ordinary shares	100%	Dormant Company
Ardagh Packaging UK Holdings Limited	England and Wales <sup>a</sup>	Ordinary shares	100%	Transport Company
Ardagh Holdings USA Inc.	USA <sup>*b</sup>	Ordinary shares	100%	Holding company
Ardagh Glass Inc.	USA <sup>*b</sup>	Ordinary shares	100% <sup>*2</sup>	Manufacture of glass containers
Ardagh Glass Packaging Inc.	USA <sup>*b</sup>	Ordinary shares	100% <sup>*2</sup>	Manufacture of glass containers
ACL Holdings Inc.	USA <sup>*b</sup>	Ordinary shares	100% <sup>*2</sup>	Holding company

<sup>a</sup> Registered address: Headlands Lane, Knottingley, West Yorkshire, WF11 0HP, UK.

<sup>b</sup> Registered address: 1209 Orange Street, Wilmington, Delaware, DE19801 USA.

<sup>\*1</sup> Held through Ardagh Glass (UK) Limited

<sup>\*2</sup> Held through Ardagh Holdings USA Inc.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or the recoverable amount was determined based on a value in use calculation. The Directors have reviewed the investments for impairment triggers and have identified none.

### 8 Debtors

	2021	2020
	£'000	£'000
Amounts owed from fellow subsidiary undertakings	190,941	71,986
Group relief receivable from fellow subsidiary undertakings	5,938	883
	196,879	72,869

The amounts owed from fellow subsidiary undertakings are unsecured and bear interest at 1.811%, (2020: bear interest at 2.411%) and have no fixed repayment terms.

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 9 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Amounts owed to fellow group undertakings	16,784	26,848
Amounts owed to fellow subsidiary undertakings	242,298	348,217
	<b>259,082</b>	<b>375,065</b>

Creditors are stated at book value which approximates their fair value.

The amounts owed to fellow group undertakings are unsecured, bear interest at rates between 1.811% and 4.992%, (2020: bear interest at rates between 2.411% and 4.992%) and have no fixed repayment terms.

The amounts owed to subsidiary undertakings are unsecured, with interest payable at 2.09% above base rate (2020: 2.65%) on £110,920,000 (2020: £110,920,000) with no fixed repayment terms.

### 10 Called up share capital

Authorised	2021	2020
	£'000	£'000
6,310,156 (2020: 6,310,156) A ordinary shares of £1 each	6,310	6,310
402,775 (2020: 402,775) B ordinary shares of £1 each	403	403
<b>Total</b>	<b>6,713</b>	<b>6,713</b>

Issued and fully paid	Number of	2021	Number of	2020
At 31 December	shares	£'000	shares	£'000
6,310,156 (2020: 6,310,156) A ordinary shares of £1 each	6,310,156	6,310	6,310,156	6,310
402,775 (2020: 402,775) B ordinary shares of £1 each	402,775	403	402,775	403
<b>Total</b>	<b>6,712,931</b>	<b>6,713</b>	<b>6,712,931</b>	<b>6,713</b>

All shares rank pari passu in all respects.

### 11 Reserves

The following equity reserves are maintained by the Company:

#### Called-up share capital

Represents the par value of issued shares.

#### Share premium account

Represents the amount above par received on issued shares.

#### Profit and loss account

Represents the cumulative profits and losses of the Company, less any cumulative dividends paid to shareholders.

#### Capital contribution reserve

Represents cumulative equity contributions by shareholders without the issue of shares in return.

# Ardagh Holdings (UK) Limited

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 12 Charges and guarantees

Ardagh Glass Limited is a joint guarantor on a senior secured basis for the senior secured debt of Ardagh Group S.A., an intermediate parent of the Company, to a maximum amount of \$4,417 million (2020: \$3,423 million). As at 31 December 2021, Ardagh Group S.A. had \$4,417 million of senior secured debt outstanding (\$700 million 5.250% Senior Secured Notes due 2025, \$1,215 million 4.125% Senior Secured Notes due 2026, €439 million 2.125% Senior Secured Notes due 2026, €790 million 2.125% Senior Secured Notes due 2026, €450 million 2.000% Senior Secured Notes due 2028 and \$600 million 3.250% Senior Secured Notes due 2028). The Senior Secured debt is guaranteed on a senior basis by Ardagh Group S.A.

Ardagh Glass Limited is a joint guarantor on a senior subordinated basis for the senior debt of Ardagh Group S.A., an intermediate parent of the Company, to a maximum amount of \$3,955 million (2020: \$3,172 million). As at 31 December 2021, Ardagh Group S.A. had \$3,955 million of Senior debt outstanding (£400 million 4.750% Senior Notes due 2027, \$800 million 5.250% Senior Notes due 2027, \$1,000 million 5.250% Senior Notes due 2027, €500 million 3.00% Senior Notes due 2029 and \$1,050 million 4.000% Senior Notes due 2029). The Senior debt is guaranteed on a senior basis by Ardagh Group S.A.

\* Senior Notes new for 2021

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

The Company has granted fixed security over its present and future real property (both freehold and leasehold subject to certain exceptions), plant, machinery, computers and vehicles, certain material agreements, all licences, permissions, consents and authorisations, all uncalled capital and all stocks, shares, debentures, bonds, warrants, coupons or other securities. In addition, the Company has granted floating charges over all its undertakings and assets both present and the future.

### 13 Dividends

There were no dividends paid or authorised during 2021 (2020: £nil). The directors do not propose a final dividend (2020: £nil).

### 14 Ultimate parent undertaking company and controlling party

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

Ardagh Group S.A. is the parent undertaking of the largest group of which Ardagh Holdings (UK) Limited is a member and for which group financial statements are drawn up.

Ardagh Packaging Group Holdings Unlimited Company, incorporated in Ireland, is the immediate parent company and the parent undertaking of the smallest group of which Ardagh Holdings (UK) Limited is a member. Copies of the financial statements can be obtained from the Company Secretary, Ardagh House, South Country Business Park, Leopardstown, Dublin 18, Ireland.

### 15 Prior year restatement

During the current year it was identified that a dividend receivable from a subsidiary undertaking was incorrectly classified in the prior year. This has been corrected retrospectively and has resulted in the following changes to the comparative figures as at 31 December 2020:

- Other operating income reduced by £44,997,000 and
- Income from shares in group undertakings increased by £44,997,000

The effect on net assets and retained earnings as at 31 December 2020 as a result of this correction was £nil.