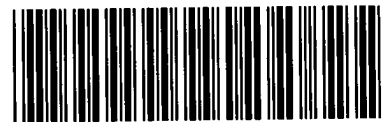


AMCOR FLEXIBLES UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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COMPANY INFORMATION

Directors

C Cheetham
P Courtney (resigned 31 January 2019)
M Suitor
M Watts (resigned 28 September 2018)
D Weetman
M Burrows (appointed 28 September 2018)
D Clayton (appointed 21 March 2019)
D Pearson (appointed 1 July 2019)

Registered number

2808801

Registered office

83 Tower Road North
Warmley
Bristol
BS30 8XP

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Business review and future developments

Safety is the first core value and there is no room for complacency. The Company managed to maintain the excellent safety statistics.

During the year the Company saw a slight reduction in sales. Product mix within the snack and confectionery and fresh food end markets was unfavourable. Earnings benefited from the continued focus on cost and continuous improvement across the plants although the Company recorded a loss for the financial year of £1.2m, reflecting the past service cost charge of £2.3m in the year (see note 24) (2018: £10.9m profit).

No dividends were received from its subsidiary, Amcor Flexibles Winterbourne Limited (2018: £10m).

As a member of the Amcor Group the Company has maintained a consistent strategy and business model. Investments are focussed on making packaging that is increasingly light weighted, recyclable and reusable, and made using a rising amount of recycled content.

The Company looks forward to the 2020 financial year with clear priorities, to keep co-workers safe, offer value to customers and execute effectively in areas under our control. As a result, no material change in the Company's business and profitability are expected in the next financial year.

Principal risks and uncertainties

The Company manages the risks and uncertainties within the Amcor Group of Companies and can be impacted by numerous factors:

- Changes in customer demand patterns across various industries;
- The loss of key customers, a reduction in production requirements or consolidation could impact sales revenue and profitability;
- Challenging local and international economic conditions have had, and may continue to have a negative impact on the business;
- Price fluctuations or availability of raw materials, energy and other inputs could adversely impact the business; and
- Production, supply and other commercial risks which may be exacerbated during times of economic slowdown.

This has allowed the Company to demonstrate durability in dealing with the political and economic developments over the last 12 months. The Company has contributed to European and Global project initiatives within the Group in a structured way including to manage the impacts of the UK leaving the European Union. The Company will continue to act responsibly and coordinate actions through the supply chain of its group undertakings to maintain supply and preserve safety. Working with suppliers and customers the Company and its group undertakings are well placed to respond positively to situations as they arise in supporting the continuity of supply across the essential markets of food and healthcare. Post year end the business has encountered the unprecedented uncertainty and challenges arising from the Covid-19 pandemic although the defensive end markets in which the Company mainly operates have demonstrated the same resilience experienced through past economic cycles. However, the continuing uncertainty around the duration and severity of the pandemic makes estimating the impact on the Company's operations and financial results difficult. Rigorous precautionary measures are in place to protect employees, customers and suppliers and are expected to continue until the pandemic is adequately contained for the business. The Company has not experienced any significant disruptions in the supply chain to date and continues to monitor the risk of customer, raw material and other supply chain disruption.

Financial risk management

The Company's principal financial assets are bank balances, trade debtors and inter-company debtors.

The Company participates in a group cash pooling arrangement, which optimises the use of cash resources across the Amcor group. This limits the Company's exposure to default by individual financial institutions. Cash deposits are subject to cross guarantees from the fellow group companies participating in the cash pooling arrangement.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

The Company manages its credit risk in relation to trade debtors by spreading exposure over a large number of customers, and by holding credit insurance if it is felt necessary.

The vast majority of the Company's business is in the UK, but the Company also has overseas business, and as a result is exposed to movements in exchange rates. The currency risk is managed by entering into forward contracts for key foreign currencies, which fix a significant proportion of these exposures, thereby giving certainty over a substantial part of the company's income stream and costs. The value of forward contracts is immaterial in the financial statements of Amcor Flexibles UK Limited. The Company does not enter into speculative financial instruments.

The Company is a wholly owned indirect subsidiary of Amcor Plc ("the group"). Further details of risk factors affecting the group, which include those of the Company, are discussed in the group's annual report (which does not form part of this report) along with a Sustainability Report.

Financial and non-financial key performance indicators

	2019 £000	2018 £000
Financial key performance indicators		
Turnover	107,824	117,095
Gross profit	24,709	23,310
Margin	22.9%	19.9%
Operating profit/(loss)	3,263	2,409
As a % of turnover	3.0%	2.1%
(Loss)/profit for the financial year	(1,228)	10,944
Non-financial key performance indicators		
	Number	<i>Number</i>
Number of employees	506	510
Number of workplace accidents requiring medical treatment:		
- With loss of production time	1	3
- Loss time injury frequency rate	10.19	3.02
- With no loss of production time	0	0
- Recordable case time frequency rate	5.19	0

This report was approved by the board and signed on its behalf.



M Burrows
Director

Date: 26 June 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the audited financial statements for the year ended 30 June 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 audited financial statements, the directors are required to:

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

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

Results and dividends

The loss for the year, after taxation, amounted to £1,228,000 (2018 - profit £10,944,000).

The Company paid a dividend during the year of £NIL (2018 - £NIL). No final dividend is being proposed by the directors.

Directors

The directors who served during the year were:

C Cheetham
P Courtney (resigned 31 January 2019)
M Suitor
M Watts (resigned 28 September 2018)
D Weetman
M Burrows (appointed 28 September 2018)
D Clayton (appointed 21 March 2019)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Future developments and financial risk management

Details of the likely future developments in the Company's business and financial risk management have been included within the Strategic Report.

Research and development activities

Research and development costs incurred during the year amounted to £1,839,000 (2018 - £1,835,000). In accordance with the accounting policy described in note 1 to the financial statements, all costs have been included in the Statement of Comprehensive Income for the year.

Employee involvement

It is the policy of the Company to encourage the employment and development of suitable people with disabilities. No unnecessary limitations are placed on the type of work that they perform and the policy ensures that, in appropriate cases, consideration is given to modifications to equipment or premises and to adjustments in working practices.

Employees are provided with information on matters of concern to them, principally through the management structure and notice boards. Views of employees are sought as appropriate through the management structure.

Disabled employees

Full and fair consideration will be given to applicants with disabilities for employment, and existing employees who become disabled will have the opportunity to retrain and continue in employment.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Subsequent events

The impact of Covid-19 has been discussed within the principal risks and uncertainties within the Strategic Report.

There have been no other significant events affecting the Company since the year end.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M Burrows', with a stylized flourish at the end.

.....
M Burrows
Director

Date: 26 June 2020

Independent auditors' report to the members of Amcor Flexibles UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Amcor Flexibles UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss 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: the statement of financial position as at 30 June 2019; the statement of comprehensive income, the 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 30 June 2019 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 Directors' Responsibilities Statement set out on page 4, 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.

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

Use of this report

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

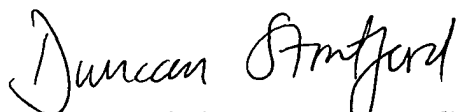
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received 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.



Duncan Stratford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26 June 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 £000	2018 £000
Turnover	4	107,824	117,095
Cost of sales		(83,115)	(93,785)
Gross profit		24,709	23,310
Distribution costs		(3,590)	(3,808)
Administrative expenses		(18,728)	(17,774)
Other operating income	5	872	681
Operating profit	6	3,263	2,409
Income from shares in group undertakings		-	10,000
Interest receivable and similar income	10	39	16
Interest payable and similar expenses	11	(7)	(15)
Other finance expense	12	(3,000)	(1,000)
Profit before tax		295	11,410
Tax on profit	13	(1,523)	(466)
(Loss)/profit for the financial year		(1,228)	10,944
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit schemes		(7,390)	15,760
Movements of deferred tax relating to pension deficit		1,256	(2,679)
		(6,134)	13,081
Net movement of cash flow hedges		(40)	12
Other comprehensive income net of tax		(6,174)	13,093
Total comprehensive income for the year		(7,402)	24,037


The notes on pages 12 to 38 form part of these financial statements.

AMCOR FLEXIBLES UK LIMITED
REGISTERED NUMBER: 2808801

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £000	2018 £000
Intangible assets	14	31	41
Tangible assets	15	21,290	23,394
Investments	16	17,631	17,631
Deferred tax asset	17	8,128	8,395
		<u>47,080</u>	<u>49,461</u>
Current assets			
Stocks	18	14,126	13,584
Debtors	19	75,112	72,141
Cash and bank	20	13,654	20,175
		<u>102,892</u>	<u>105,900</u>
Creditors: amounts falling due within one year	21	(96,006)	(97,393)
Net current assets		<u>6,886</u>	<u>8,507</u>
Total assets less current liabilities		<u>53,966</u>	<u>57,968</u>
Pension liability	24	(25,300)	(21,900)
Net assets		<u><u>28,666</u></u>	<u><u>36,068</u></u>
Capital and reserves			
Called up share capital	23	60,719	60,719
Hedging reserve	27	(51)	(11)
Accumulated losses	27	(32,002)	(24,640)
		<u><u>28,666</u></u>	<u><u>36,068</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M Burrows

Director

Date: 26 June 2020

The notes on pages 12 to 38 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Called up share capital	Hedging reserve	Accumulated losses	Total shareholders' funds
	£000	£000	£000	£000
At 1 July 2018	60,719	(11)	(24,640)	36,068
Comprehensive expense for the year				
Loss for the year	-	-	(1,228)	(1,228)
Actuarial losses on pension scheme	-	-	(6,134)	(6,134)
Changes in fair value of cash flow hedges	-	2	-	2
Amounts released to comprehensive income	-	(42)	-	(42)
Total comprehensive expense for the year	-	(40)	(7,362)	(7,402)
At 30 June 2019	60,719	(51)	(32,002)	28,666

30 JUNE 2018

	Called up share capital	Hedging reserve	Accumulated losses	Total shareholders' funds
	£000	£000	£000	£000
At 1 July 2017	60,719	(23)	(48,665)	12,031
Comprehensive income for the year				
Profit for the year	-	-	10,944	10,944
Actuarial gains on pension scheme net of deferred tax	-	-	13,081	13,081
Changes in fair value of cash flow hedges	-	542	-	542
Amounts released to comprehensive income	-	(530)	-	(530)
Total comprehensive income for the year	-	12	24,025	24,037
At 30 June 2018	60,719	(11)	(24,640)	36,068

The notes on pages 12 to 38 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. General information

The principal activity of the Company is the design, manufacture and printing of flexible packaging.

Amcors Flexibles UK Limited is a company limited by shares and incorporated in the United Kingdom. The address of the registered office is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Amcor Plc.

The following principal accounting policies have been consistently applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.3 New standards and interpretations, and interpretations not yet applied

During the year the Company adopted IFRS 9 'Financial Instruments', and IFRS 15 'Revenue from contracts with customers'.

The main impact of adopting IFRS 9 being the impairment assessment methodology used to value trade and other receivables. The Company considered a number of scenarios in calculating the expected credit losses to be provided for, along with considering the classification and measurement of its financial assets. The adoption of IFRS 9 did not materially affect the amounts recognised in the financial statements.

The adoption of IFRS 15 did not have a material impact on the Company.

There were a number of other amendments to existing standards and interpretations that were effective for the current period, but none of these has a material impact on the Company.

IFRS 16 'Leases' will be effective for the year ended 30 June 2020. The Company is currently in the process of finalising the assessment of the impact on the Financial Statements. The new Standard increases assets and liabilities for leases previously accounted for as operating leases which are to be capitalised on the balance sheet as right-of-use assets and lease liabilities. The adoption of the new Standard will result in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application where a policy can be applied consistently on transition and subsequently. The Company is likely to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

2.4 Going concern

The financial statements have been prepared on the going concern basis in accordance with the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.5 Turnover

Turnover recognition under IFRS 15 is a control based model when control of an asset (goods or services) passes relative to the nature, amount, timing and uncertainty of revenue and cash flow. The criteria, based on a 5-step approach, for determining whether control is transferred set out within the standard are as follows:

- 1 Identify the contract with a customer
- 2 Identify the performance obligations in the contract
- 3 Determine the transaction price
- 4 Allocate the transaction price to the performance obligation in the contract
- 5 Recognise revenue when the Company satisfies a performance obligation

The Company reviewed the revenue relating to other contracts and transactions when the significant risks and rewards of ownership transfer to the customer and has assessed whether the transfer of control under IFRS 15 will result in the timing of revenue recognition being materially different. Typically, goods and services are provided under contracts with the customer that are substantially the same and that have the same pattern of transfer with control passing at a point in time. The Company has concluded that there is no material change in the timing of revenue recognition for the 2019 account net of discounts, rebates, credits, price concessions, performance bonuses and similar incentives, value added tax and other sales taxes with revenue recognised in accordance with:

The Company having a present right to payment for the asset;
 The customer has legal title to the asset;
 The Company having transferred physical possession of the asset;
 The customer has significant risks and rewards related to the ownership of the asset; and
 The customer has accepted the asset.

Variable consideration is included in the transaction price at the company's best estimate, and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

2.6 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

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

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

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

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following bases:

Freehold property	- 2% per annum
Plant and machinery	- 7-25% per annum

Freehold land is not depreciated.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Development costs

Research and development expenditure is charged to the income statement as is incurred. Development expenditure is not capitalised as it does not meet the recognition criteria of IAS 38.

2.14 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

The directors perform an annual impairment assessment and where a potential exposure is identified a full impairment review in compliance with IAS 36, 'Impairment of assets' is undertaken. To assess the carrying value of the investments the directors consider underlying net asset values and future earnings where appropriate. Any impairment recognised is taken to the Statement of Comprehensive Income. Where the directors become aware that the circumstances that gave rise to a previous impairment are no longer applicable the impairment is reversed. The credit is recognised in the Statement of Comprehensive Income.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**2. Accounting policies (continued)****2.17 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision. In addition, on account of adoption of IFRS 9 management assesses expected credit loss on these balances.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.19 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.23 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(b) Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(c) Impairment of assets

The Company assess at each reporting date whether an asset may be impaired. If there is any such indication that the carrying value may not be recoverable, the Company estimates the recoverable amount of the asset. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through profit or loss.

2. Critical judgements in applying the entity's accounting policies

The Company follows the guidance of IFRS 9 to recognise expected credit losses for all financial assets held at amortised cost. In making this judgment, management considered whether there has been an actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that would result in a significant change in the borrower's ability to meet its debt obligations. This consideration requires significant judgment.

The adoption of IFRS 9 did not have a significant effect on the accounts and has not affected amounts recognised in the current or comparative periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Turnover

The whole of the turnover is attributable to flexible packaging products.

Analysis of turnover by country of destination:

	2019	2018
	£000	£000
United Kingdom	76,310	82,129
Rest of Europe	28,023	30,364
Rest of the world	3,491	4,602
	107,824	117,095

5. Other operating income

	2019	2018
	£000	£000
Other operating income	872	681
	872	681

6. Operating profit

The operating profit is stated after charging/(crediting):

	2019	2018
	£000	£000
Research & development charged as an expense	1,839	1,835
Stocks charged as an expense	61,938	69,100
Operating lease rentals - land & buildings	337	304
Operating lease rentals - plant & machinery	203	223
Impairment of stock	(162)	514
Depreciation of tangible fixed assets	2,990	3,081
Impairment of tangible fixed assets	-	(90)
Amortisation of intangible assets, including goodwill	10	(592)
Impairment of intangible assets	-	(9)
Exchange differences	62	(13)
Group personal pension plan cost	1,234	1,270

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**7. Auditors' remuneration**

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2019	2018
	£000	£000
Fees for auditing the company	100	89
	100	89

8. Employees

Staff costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	20,526	17,755
Social security costs	1,887	1,953
Other pension costs	1,234	1,270
	23,647	20,978

The emoluments of the directors are paid by fellow group companies, which make no recharge to the Company. All directors are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no emoluments in respect of the directors are disclosed in the financial statements.

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Manufacturing	427	428
Sales & distribution	26	25
Administration	53	57
	506	510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**9. Income from shares in group undertakings**

	2019 £000	2018 £000
Income from shares in group undertakings	-	10,000
	<u>-</u>	<u>10,000</u>
	<u><u>-</u></u>	<u><u>10,000</u></u>

10. Interest receivable and similar income

	2019 £000	2018 £000
Bank interest receivable	39	16
	<u>39</u>	<u>16</u>
	<u><u>39</u></u>	<u><u>16</u></u>

11. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	7	15
	<u>7</u>	<u>15</u>
	<u><u>7</u></u>	<u><u>15</u></u>

12. Other finance expense

	2019 £000	2018 £000
Expected return on pension scheme assets	5,600	5,100
Net interest on net defined benefit liability	(6,300)	(6,100)
Past service costs on pension scheme	(2,300)	-
	<u>(3,000)</u>	<u>(1,000)</u>
	<u><u>(3,000)</u></u>	<u><u>(1,000)</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Tax on (loss)/profit

	2019 £000	2018 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	1,579	484
Adjustments in respect of prior periods	(56)	33
Deferred tax rate change	-	(51)
Total deferred tax	1,523	466
Taxation on (loss)/profit	1,523	466

The tax assessed for the financial year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	295	11,410
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	56	2,168
Effects of:		
Expenses not deductible for tax purposes	2	2
Fixed asset differences	47	-
Deferred tax rate change	(185)	(51)
Non-taxable dividend income	-	(1,900)
Prior year adjustment	(56)	33
Group relief	1,659	214
Total tax charge for the year	1,523	466

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Tax charge/(credit) in year included in Other Comprehensive (Expense)/Income

	2019 £000	2018 £000
Current tax		
Current tax	-	-
	<hr/>	<hr/>
	-	-
Deferred tax		
Origination and reversal of timing differences	(1,256)	2,679
	<hr/>	<hr/>
Total deferred tax	(1,256)	2,679
	<hr/>	<hr/>
Total tax included in Other Comprehensive (Expense)/Income	(1,256)	2,679
	<hr/> <hr/>	<hr/> <hr/>

The corporation tax payable has been decreased by £1,659,000 (2018: £214,000) because of group relief surrendered to a fellow subsidiary, for which no payment will be received.

Factors that may affect future tax charges

The main rate of corporation tax was reduced from 20% to 19% on 1 April 2017. The Finance Act 2016 was substantively enacted on 6 September 2016 and reduced the main rate of corporation tax to 17% from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**14. Intangible assets**

	Computer Software £000
Cost	
At 1 July 2018	7,135
At 30 June 2019	<u>7,135</u>
Amortisation	
At 1 July 2018	7,094
Charge for the year	10
At 30 June 2019	<u>7,104</u>
Net book value	
At 30 June 2019	<u><u>31</u></u>
At 30 June 2018	<u><u>41</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Tangible assets

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 July 2018	11,979	66,908	78,887
Additions	-	887	887
Disposals	-	(1,701)	(1,701)
At 30 June 2019	11,979	66,094	78,073
Depreciation			
At 1 July 2018	3,891	51,602	55,493
Charge for the year on owned assets	277	2,713	2,990
Disposals	-	(1,700)	(1,700)
At 30 June 2019	4,168	52,615	56,783
Net book value			
At 30 June 2019	7,811	13,479	21,290
At 30 June 2018	8,088	15,306	23,394

The net book value of freehold property at 30 June 2019 includes a value for land of £682,000 (2018 - £682,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16. Investments

	Investment in subsidiary company £000
Cost or valuation	
At 1 July 2018	17,631
At 30 June 2019	17,631
Net book value	
At 30 June 2019	17,631
At 30 June 2018	17,631

Subsidiary undertakings

The following was the subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
Amcor Flexibles Winterbourne Limited	Ordinary	100 %	Packaging manufacturer

The directors consider the value of the investment to be supported by its underlying assets.

The registered office of the Company's subsidiary is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

17. Deferred tax asset

	Accelerated capital allowances £000	Pension liability £000	Other £000	Total £000
At beginning of year	3,829	7,344	367	11,540
Charged to other comprehensive income	-	(2,679)	-	(2,679)
Credited/(charged) to profit or loss	508	(941)	(33)	(466)
At 30 June 2018	<u>4,337</u>	<u>3,724</u>	<u>334</u>	<u>8,395</u>
At beginning of year	4,337	3,724	334	8,395
Credited to other comprehensive income	-	1,256	-	1,256
(Charged)/credited to profit or loss	(801)	(678)	(101)	(1,580)
Adjustments in respects of prior periods	(27)	(1)	84	56
At 30 June 2019	<u>3,509</u>	<u>4,301</u>	<u>317</u>	<u>8,127</u>

Deferred tax assets are recognised on the basis that it is more likely than not that the Company will make taxable profits in the future against which the deferred tax asset maybe utilised.

18. Stocks

	2019 £000	2018 £000
Raw materials and consumables	4,580	4,789
Work in progress (goods to be sold)	2,487	1,503
Finished goods and goods for resale	7,059	7,292
	<u>14,126</u>	<u>13,584</u>

Stocks are stated after provision for impairment of £1,738,000 (2018 - £1,900,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

19. Debtors

	2019	2018
	£000	£000
Trade debtors	17,745	18,514
Amounts owed by group companies	54,434	50,511
Other debtors	2,475	2,943
Prepayments and accrued income	399	131
Financial instruments	58	42
	<hr/> 75,111 <hr/>	<hr/> 72,141 <hr/>

Amounts owed by group undertakings are unsecured, have no fixed repayment date and bear interest at various rates.

Trade debtors are stated after provision for impairment of £17,000 (2018 - £2,000).

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses an annual expected loss allowance for all trade and other receivables including amounts owed by group undertakings.

20. Cash and bank

	2019	2018
	£000	£000
Cash at bank and in hand	13,654	20,175
	<hr/> 13,654 <hr/>	<hr/> 20,175 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

21. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Bank overdrafts	14	-
Trade creditors	16,892	21,935
Amounts owed to group undertakings	70,165	64,626
Other taxation and social security	3,249	2,401
Other creditors	312	851
Accruals and deferred income	5,374	7,580
	<hr/> 96,006 <hr/>	<hr/> 97,393 <hr/>

Amounts owed to group undertakings are unsecured, have no fixed repayment date and bear interest at various rates.

All amounts owed to group undertakings are payable on demand.

The overdraft is unsecured, repayable on demand and interest is payable at various rates. See note 26 for details of the security in place in respect of the group cash pooling arrangement in which the Company participates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Financial instruments

	2019	2018
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	58	42
Financial assets that are debt instruments measured at amortised cost	74,654	71,968
Cash at bank and in hand measured at amortised cost	13,654	20,175
	<u>88,366</u>	<u>92,185</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(87,383)</u>	<u>(87,412)</u>

Financial assets measured at fair value through profit or loss comprise derivative contracts.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to group undertakings, other creditors and accruals.

The Company enters into forward foreign exchange contracts to mitigate the exchange risk for certain foreign currency debtors and creditors. At 30 June 2019 the Company had entered into forward exchange contracts to sell US\$1,900,000 (2018 - US\$3,100,000) and €350,000 (2018 - €2,484,000) and receive a fixed sterling amount at various times in the future up to 19 December 2019 (2018 - 22 March 2019).

23. Called up share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
60,719,000 (2018 - 60,719,000) ordinary shares of 1.00 each	<u>60,719</u>	<u>60,719</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Employee benefit obligations

From 1 October 2010 the Company contributed to a newly established Group Personal Pension Plan (the Amcor UK Group Personal Pension Plan) for all employees who elected to participate.

The pension cost charge for the year represents contributions payable by the Company to the Plan, and amounted to £6,990,000 (2018 - £6,000,000). There were no outstanding or prepaid contributions at the year end (2018 - £NIL).

The Company operates a defined benefit pension scheme in the UK (the Amcor UK Pension Plan – “the Plan”). A full actuarial valuation of the Plan was carried out as at 1 June 2016, which was signed off on 6 November 2017. The plan is closed to new entrants.

The assets of the Plan are held separately from those of the Company in an independently administered fund. Contributions totalling £NIL (2018 - £NIL) were payable to the fund at the balance sheet date.

In November 2017, following consultation with Amcor Holding, the principal employer of the Plan, the trustee of the Amcor UK Pension Plan purchased a bulk annuity insurance policy for current pensioners, which provides monthly cash income to match the pensioner payroll (“the buy-in”). Under the buy-in, the pension scheme assets and liabilities related to the pensioners will be matched, resulting in a reduction in balance sheet volatility.

As part of the buy-in, Amcor Holding has entered into an irrevocable and unconditional guarantee with the trustee of the Amcor UK Pension Plan. The main provision is to guarantee all present and future obligations owing or to be paid to the Amcor UK Pension Plan, including the ongoing schedule of contributions to the Amcor UK Pension Plan from the UK companies as well as any Section 75 debt / amounts due on insolvency of the UK companies (subject to a guarantee cap).

The risks of the Plan are as follows:

(a) Asset volatility

The Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of non corporate bond assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the Plan matures, or market movements provide opportunities, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(b) Changes in bond yields

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

(c) Life expectancy

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

(d) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the Plan against extreme inflation). The majority of the Plan’s assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The last full actuarial valuation of the Plan was undertaken as at 31 March 2019. The results of this latest valuation continue to be considered by the Company and the Trustee Board of the Plan.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**24. Employee benefit obligations (continued)**

Reconciliation of present value of Plan liabilities:

	2019	2018
	£000	£000
Reconciliation of present value of Plan liabilities		
At the beginning of the year	208,900	248,300
Administration costs	-	490
Interest on pension scheme liabilities	6,300	6,100
Actuarial losses/(gains)	18,850	(37,400)
Benefits paid	(7,250)	(8,590)
Past service cost	2,300	-
At the end of the year	229,100	208,900

Reconciliation of present value of Plan assets:

	2019	2018
	£000	£000
Opening fair value of scheme assets	187,000	205,100
Expected return on scheme assets	5,600	5,100
Actuarial gains/(losses)	11,460	(21,640)
Contributions by employer	6,990	7,030
Benefits paid	(7,250)	(8,590)
At the end of the year	203,800	187,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**24. Employee benefit obligations (continued)**

Composition of Plan assets:

	2019 £000	2018 £000
Equities	-	69,000
Bonds	44,800	-
Diversified growth fund	-	31,000
Insurance contracts	95,300	87,000
Other	63,700	-
Total plan assets	203,800	187,000

The mix of plan assets has changed following the appointment of a Fiduciary Manager and move towards pooled investment vehicles. The Covid-19 pandemic has resulted in significant volatility in market conditions and asset values over the period to June 2020. However, the relatively low-risk and defensive asset strategy has helped to mitigate the impact of this volatility.

	2019 £000	2018 £000
Fair value of plan assets	203,800	187,000
Present value of plan liabilities	(229,100)	(208,900)
Net pension scheme liability	(25,300)	(21,900)

The amounts recognised in profit or loss are as follows:

	2019 £000	2018 £000
Interest on obligation	6,300	6,100
Interest income on plan assets	(5,600)	(5,100)
Past service costs / administration costs	2,300	490
Total	3,000	1,490

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £80,994,000 (2018 - £73,604,000).

The expects to contribute £NIL (2018 - £NIL) to its in 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Employee benefit obligations (continued)

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Company is in discussion with the Trustees of the Plan regarding the appropriate equalisation method. Based on an initial assessment the Company does not expect the charge to have a material impact to the financial statements.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2019	2018
	%	%
Discount rate	2.5	3.0
Future pension increases in payment	3.3	3.1
Future pension increases - deferred	2.4	2.2
Inflation assumption	3.4	3.2
Mortality rates		
- for a male aged 65 now	22.372	23.085
- at 65 for a male aged 50 now	23.638	24.779
- for a female aged 65 now	25.241	25.563
- at 65 for a female member aged 50 now	26.604	27.336

Mortality rates (unchanged from prior year):

Mortality male - S2PMA (Year of Birth) with a 99% adjustment, CMI 2016 future improvements with a 1.5% per annum trend.

Mortality female - S2PFA (Year of Birth) with a 87% adjustment, CMI 2016 future improvements with a 1.5% per annum trend.

Sensitivity analysis of plan liabilities:

A 25bp increase in the discount rate will decrease plan liabilities by £12,100,000.

A 25bp decrease in the discount rate will increase plan liabilities by £12,800,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**24. Employee benefit obligations (continued)**

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Defined benefit obligation	(229,100)	(208,900)	(248,300)	(242,900)	(216,964)
Scheme assets	203,800	187,000	205,100	201,300	192,541
Deficit	(25,300)	(21,900)	(43,200)	(41,600)	(24,423)
Experience adjustments on scheme liabilities	9,950	(950)	8,600	900	700
Experience adjustments on scheme assets	11,460	(21,640)	7,550	5,259	4,850

The duration of expected benefit payments is 20 years.

25. Commitments under operating leases

At 30 June 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Land and buildings		
Not later than 1 year	238	238
Later than 1 year and not later than 5 years	952	952
Later than 5 years	1,680	1,890
	2,870	3,080
Other		
Not later than 1 year	255	321
Later than 1 year and not later than 5 years	349	469
	604	790

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****26. Security**

The Company participates in a group cash pooling arrangement between the banking providers and other members of the Amcor group. All members of the group cash pool arrangement are jointly and severally liable for any payment default. As at 30 June 2019, the cash pool was in a net deficit position of €34,000,000 (2018: €62,700,000).

27. Reserves**Hedging Reserve**

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Accumulated losses

The accumulated losses account reflects the entity's accumulated losses less dividends paid and payable.

28. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Sidlaw Group Limited, registered in England and Wales.

On 11 June 2019, Amcor Limited completed the acquisition of Bemis Company, Inc. to form Amcor Plc. Under the terms of the agreement announced on 6 August 2018, the all-stock acquisition was effected at a fixed exchange ratio of 5.1 Amcor shares for each Bemis share. Amcor Plc is the ultimate parent and controlling party, incorporated in Jersey, Channel Islands which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of Amcor Plc consolidated financial statements can be obtained from the group's website at www.amcor.com/investors.