6 [illegible] docs

Registered number: 4176956

AMCOR EUROPE GROUP MANAGEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

COMPANY INFORMATION

Directors	C Cheetham R Dixon (resigned 15 April 2019) M Burrows M Watts (resigned 28 September 2018) D Clayton (appointed 7 January 2019)
Registered number	4176956
Registered office	83 Tower Road North Warmley Bristol BS30 8XP
Independent auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

CONTENTS

Business review and future developments

Safety is the first core value and there is no room for complacency.

During the year the Company saw turnover decline at €163,878,000 (2018 €198,016,000) mainly arising due to a change in accounting standard through providing administrative support services to the Group. The underling business remains with Profit before taxation declining to €9,716,000 (2018 €13,578,000) with shareholder funds decreasing slightly to €98,313,000 (2018 €99,799,000) as the company monitors its financial health and performance in order to maintains a consistent strategy and business model as a member of the Amcor Group the Companies.

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 as an integral member of the Amcor Group of Companies and can be impacted by numerous factors across its operations as it supports the group undertakings in ensuring central functions help manage:

- Changes in customer demand patterns across various industries;
- The potential 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 negatie impact on the business; and
- 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 effective resilience 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 to manage the impacts of the UK leaving the European Union and the Covid-19 pandemic. 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 provided the Group's safety standard and hygiene can be preserved.

Financial risk management

The Company's principal financial assets are bank balances 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.

Due to the non-complex nature of the Company's activities, its exposure to financial risks is limited. In addition, the directors of the group manage the group's risk at a group level, rather than at an individual entity level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the business of the Company. 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 other key performance indicators

	2019	2018
	£000	£000
Financial key performance indicators		
Turnover	**163,878**	198,016
Profit before Taxation	**9,716**	13,578
Non-financial key performance indicators		
	Number	Number
Average number of employees	**878**	888

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

....

M Burrows
Director

Date: 25 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 theAnnual 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' (FRS 101). 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 profit for the year, after taxation, amounted to €9,514,000 (2018 - €12,062,000).

A dividend of €11,000,000 was paid during the year (2018 - €NIL). No further dividend has been proposed.

Directors

The directors who served during the year and up to the date of the report were:

C Cheetham
R Dixon (resigned 15 April 2019)
M Burrows
M Watts (resigned 28 September 2018)
D Clayton (appointed 7 January 2019)

Future developments and financial risk management

See details of future developments and financial risk management within the strategic report.

Employee involvement

Employees are invited to participate in the Amcor Group's management and long term incentives plans each year in accordance with their terms of employment. The financial and economic factors influencing the Amcor Group of Companies are provided on a consistent basis and in accordance with the Amcor Group reporting timetable.

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 and regular engagement surveys.

Disabled employees

It is the policy of the Company to encourage the employment and development of suitable people with disabilities. 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 employment. 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 of equipment or premises and to adjustments in working practice.

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 418 of the Companies Act 2006.

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

....

M Burrows
Director

Date: 25 June 2020

Independent auditors' report to the members of Amcor Europe Group Management

Report on the audit of the financial statements

Opinion

In our opinion, Amcor Europe Group Management'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 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: 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 3, 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.

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	**163,878**	198,016
Gross profit		**163,878**	198,016
Administrative expenses		**(154,121)**	(184,300)
Operating profit	5	**9,757**	13,716
Interest receivable and similar income	9	**88**	29
Interest payable and similar expenses	10	**(129)**	(167)
Profit before taxation		**9,716**	13,578
Tax on profit	11	**(202)**	(1,516)
Profit for the financial year		**9,514**	12,062
Total comprehensive income for the year		**9,514**	12,062

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note		2019 €000		2018 €000
Fixed assets					
Intangible assets	13		**4,424**		3,165
			4,424		3,165
Current assets					
Debtors	15	**114,232**		125,420	
Cash and cash equivalents	16	**12,896**		7,757	
		127,128		133,177	
Creditors: amounts falling due within one year	17	**(33,239)**		(36,543)	
Net current assets			**93,889**		96,634
Total assets less current liabilities			**98,313**		99,799
Net assets			**98,313**		99,799
Capital and reserves					
Called up share capital	20		**80,684**		80,684
Retained earnings			**17,629**		19,115
Total shareholders' funds			**98,313**		99,799

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2020.

....
M Burrows
Director

The notes on pages 10 to 26 form part of these financial statements.

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

	Called up share capital	Retained earnings	Total shareholders' funds
	€000	€000	€000
At 1 July 2018	80,684	19,115	99,799
Comprehensive income for the financial year			
Profit for the financial year	-	9,514	9,514
Dividends: Equity capital	-	(11,000)	(11,000)
At 30 June 2019	80,684	17,629	98,313

30 JUNE 2018

	Called up share capital	Retained earnings	Total shareholders' funds
	€000	€000	€000
At 1 July 2017	80,684	7,053	87,737
Comprehensive income for the financial year			
Profit for the financial year	-	12,062	12,062
At 30 June 2018	80,684	19,115	99,799

The notes on pages 10 to 26 form part of these financial statements.

1. General information

Amcor Europe Group Management is a private unlimited company, incorporated in the United Kingdom. The address of the registered office is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

The Company acts as a services company for other Amcor group companies.

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 following principal accounting policies have been consistently applied to all years presented:

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.

2. Accounting policies (continued)

2.3 New standards and interpretations

During the year the Company adopted IFRS 9 'Financial Instruments', the main impact of this standard 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.

During the year the Company also adopted IFRS 15 'Revenue from contracts with customers'. Its core principle is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The adoption of IFRS 15 did not affect the amounts recognised in the financial statements, other than a reclassification of €21,976,000 from Revenue to Administrative Expenses where the Company acts as an Agent. The 2018 results have not been restated in accordance with the provision of IFRS 15; modified retrospective approach.

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.

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.

2.4 Going concern

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

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:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligation in the contract; and
- 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.

The Company has also considered the performance obligation requirement within its service contracts when another party is involved in providing services to a customer and determined whether the nature of it's promise is a performance obligation to provide the specified services itself or to arrange for those goods or services to be provided by the other party. This is an area which requires considerable judgement and detailed analysis of the facts and circumstances. The impact of the assessment is disclosed within the note of Turnover within the Financial Statement.

2.6 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.

Amortisation is provided on the following bases:

Computer software - 14 % to 33% per annum

2.7 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.

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold improvements	- Remaining life of the lease

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.

2.8 Development expenditure

Research and development expenditure is charged to the Statement of Comprehensive Income in the year in which it is incurred. Development expenditure is capitalised when it meets the recognition criteria of IAS 38.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.11 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.

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.

2.12 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.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.14 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.

2.15 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.

2.16 Interest income

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

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2. Accounting policies (continued)

2.18 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.

2.19 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

A limited number of employees also participated in a defined benefit pension scheme operated by one of the Company's fellow subsidiaries. Details of this scheme and its assets are disclosed in the financial statements of Amcor Flexibles UK Limited. The Company is unable to identify its share of the deficit and hence has, as permitted by IAS 19, adopted the multi-employer exemption and accounted for contributions as if the fund was a defined contribution scheme.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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

Management does not believe that there are any critical accounting estimates or assumptions made when applying the Company's accounting policies.

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

Certain employees participate in a mulit-employer defined benefit pension scheme with other companies in the group. In the judgment of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reasonably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution pension scheme. See Note 20 for further details.

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 Financial Statements and has not affected amounts recognised in the current or comparative periods.

During the year the Company also adopted IFRS 15 'Revenue from contracts with customers'. Its core principle is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The adoption of IFRS 15 did not affect the amounts recognised in the financial statements, other than a reclassification of €21,976,000 from Revenue to Administrative Expenses where the Company acts as an Agent. The 2018 results have not been restated in accordance with the provision of IFRS 15.

4. Turnover

Analysis of turnover by country of destination:

	2019	2018
	€000	€000
United Kingdom	**23,317**	31,690
Rest of Europe	**132,400**	154,657
Rest of the world	**8,161**	11,669
	163,878	198,016

There is only one class of business and there is no material difference between turnover by destination and origin.

The Company has considered the impact of IFRS 15 as set out in the Accounting Policies and the fulfilment of the service through considering the promise, risk and price discretion. This has required considerable judgement and analysis in assessing the impact and Turnover has been reduced by €21,976,000 to reflect services provided on behalf of another party in the year to 30 June 2019. The 2018 results have not been restated in accordance with the provision of IFRS 15.

5. Operating profit

The operating profit is stated after charging:

	2019 €000	2018 €000
Amortisation of intangible assets	**658**	285
Impairment of intangible assets	**-**	41

6. 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 €000	2018 €000
Auditors' remuneration - for Company financial statements	**18**	18
Auditors' remuneration - for other group companies' financial statements not recharged	**13**	18
Remuneration to associates of the Company's auditors for other group companies' financial statements and recharge	**664**	722
	695	758

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group Financial Statements of the parent Company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 €000	2018 €000
Wages and salaries	**88,980**	93,573
Social security costs	**19,240**	19,090
Other pension costs	**5,618**	5,581
	113,838	118,244

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

	2019 No.	2018 No.
Administration	**734**	766
Sales and Marketing	**143**	122
	877	888

8. Directors' remuneration

	2019 €000	2018 €000
Directors' emoluments	**415**	292
Company contributions to defined contribution pension schemes	**25**	16
	440	308

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The emoluments for one director, who is the highest paid director, are paid by the Company. This director received remuneration of €157,000 (2018 - €195,000). The value of contributions paid to a defined contribution pension scheme amount to €10,000 (2018 - €10,000).

The Company was recharged costs of €NIL (2018 - €NIL) in respect of staff costs for Directors of fellow subsidiary companies who provided services to Amcor Europe Group Management during the year which includes amounts in respect of employer contributions to defined contribution pension schemes, all of which are recovered through management service charges to Amcor group companies.

9. Interest receivable and similar income

	2019 €000	2018 €000
Other interest receivable	**72**	29
Net foreign exchange gains	**16**	-
	88	29

10. Interest payable and similar expenses

	2019 €000	2018 €000
Bank interest payable	**129**	124
Net foreign exchange losses	**-**	43
	129	167

11. Tax on profit

	2019 €000	2018 €000
Foreign tax		
Foreign tax on income for the year	**145**	147
	145	147
Total current tax	**145**	147
Deferred tax		
Origination and reversal of timing differences	**80**	1,943
Adjustment in respect of prior years	**(15)**	(369)
Rate change	**(8)**	(205)
Total deferred tax	**57**	1,369
Taxation on profit	**202**	1,516

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the 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	**9,716**	13,578
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**1,846**	2,580
Effects of:		
Expenses not deductible for tax purposes	**(162)**	(68)
Irrecoverable foreign tax	**144**	147
Group relief	**(1,603)**	(569)
Prior year adjustment	**(15)**	(369)
Rate change	**(8)**	(205)
Total tax charge for the year	**202**	1,516

The corporation tax payable for the year has been decreased by €1,603,000 because of group relief surrendered from a fellow subsidiary for which no payment will be made.

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.

12. Dividends

	2019 €000	2018 €000
Ordinary dividends	**11,000**	-
	11,000	-

A dividend of €11,000,000 was paid during the year (2018 - €NIL). No further dividend has been proposed.

13. Intangible assets

	Computer software €000
Cost	
At 1 July 2018	**4,586**
Additions - internal	**1,902**
At 30 June 2019	**6,488**
Amortisation	
At 1 July 2018	**1,422**
Charge for the year	**642**
At 30 June 2019	**2,064**
Net book value	
At 30 June 2019	**4,424**
At 30 June 2018	3,165

Intangible assets amortisation is recorded in administrative expenses in the Statement of Comprehensive Income.

14. Tangible fixed assets

	Leasehold improvements €000
Cost or valuation	
At 1 July 2018	**10**
At 30 June 2019	**10**
Depreciation	
At 1 July 2018	**10**
At 30 June 2019	**10**
Net book value	
At 30 June 2019	**-**
At 30 June 2018	**-**

15. Debtors

	2019 €000	2018 €000
Trade debtors	**168**	80
Amounts owed by group undertakings	**111,920**	121,602
Other debtors	**32**	74
Prepayments and accrued income	**1,880**	3,375
Deferred taxation	**232**	289
	114,232	125,420

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

All amounts owed by group undertakings are recoverable on demand.

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. This has not had a material impact on the financial statements.

16. Cash and cash equivalents

	2019 €000	2018 €000
Cash at bank and in hand	**12,896**	7,757
Less: bank overdrafts	**(2,936)**	(3,723)
	9,960	4,034

17. Creditors: Amounts falling due within one year

	2019 €000	2018 €000
Bank overdrafts	**2,936**	3,723
Trade creditors	**1,415**	2,560
Amounts owed to group undertakings	**13,618**	11,554
Other creditors	**1,070**	1,113
Accruals and deferred income	**14,200**	17,593
	33,239	36,543

Amounts owed to group undertakings are unsecured, have no fixed repayment date, are non-interesting bearing and are repayable on demand.

The overdraft is unsecured, repayable on demand and interest is payable at various rates. See note 22 for details of the security in place in respect of the group cash pooling arrangement in which the Company participates.

18. Financial instruments

	2019 €000	2018 €000
Financial assets		
Financial assets measured at fair value through profit or loss	**12,896**	7,757
Financial assets that are debt instruments measured at amortised cost	**112,120**	121,755
	125,016	129,512
Financial liabilities		
Financial liabilities measured at amortised cost	**(19,039)**	(18,950)

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

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

19. Deferred taxation asset

	2019 €000	2018 €000
At beginning of year	**289**	1,658
Adjustment in respect of prior years	**15**	369
Rate change	**8**	205
Other movements	**(80)**	(1,943)
At end of year	**232**	289

The deferred tax asset is made up as follows:

	2019 €000	2018 €000
Accelerated capital allowances	**232**	289
	232	289

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 may be utilised.

20. Called up share capital

	2019 €000	2018 €000
Allotted, called up and fully paid		
80,684,003 (2018 - 80,684,003) Ordinary shares of €1.00 each	**80,684**	80,684

21. Pension schemes

The company operates a defined contribution pension schemes and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

A limited number of employees also participated in a defined benefit pension scheme operated by one of the Company's fellow subsidiaries. Details of this scheme and its assets are disclosed in the financial statements of Amcor Flexibles UK Ltd which show that the defined benefit pension scheme has a deficit of £25,300,000 at 30 June 2019 after recognition of the related deferred tax asset of £4,301,000 (2018 - deficit of £21,900,000 after recognition of the related deferred tax asset of £3,724,000). In accordance with IAS 19, as the defined benefit scheme is recognised in the financial statements of the main sponsoring employer of the plan, the Company has accounted for contributions as if the fund was a defined contribution scheme.

22. 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).

23. Ultimate Parent Undertaking and Controlling Party

The immediate parent undertaking is Amcor International S.A.S, registered in France.

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.