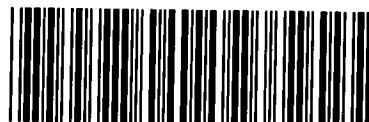


**AMCOR HOLDING NO.1 LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

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**COMPANY INFORMATION**

**Directors**

C Cheetham  
R Dixon  
M Watts (resigned 28 September 2018)  
C Smith  
M Burrows (appointed 28 September 2018)

**Registered number**

04227427

**Registered office**

Ancor Central Services Bristol  
83 Tower Road North  
Bristol  
BS30 8XP

**Business review and future developments**

The company is a wholly owned indirect subsidiary of Amcor Limited ("the group") and the directors of the group manage operations at a group level. Due to the non-complex nature of the company's activities the company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. Accordingly the development, performance and position of the group, which includes the company, are set out in the group's annual report which does not form part of this report, but is available at [www.amcor.com](http://www.amcor.com).

During the prior year the directors reversed €10,433,000 of Amcor Flexibles Novgorod LLC impairment based on improved performance. LMG (Ireland) Limited was also struck off. The investment had been fully written down in previous years.

The current level of activity is expected to continue in the future.

**Financial risk management**

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.

**Principal risks and uncertainties**

The principal risks and uncertainties of the group, which include those of the Company, are discussed in the group's annual report (which does not form part of this report).

**Financial and other key performance indicators**

The financial and other key performance indicators of the group, which include those of the Company, are discussed in the group's annual report (which does not form part of this report).

This report was approved by the board on 23 November 2018 and signed on its behalf.



.....  
**R Dixon**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their report and the audited financial statements for the year ended 30 June 2018.

**Results and dividends**

The profit for the financial year, after taxation, amounted to €208,998,000 (2017 - €15,188,000).

The Company paid a dividend during the year of €220,882,000 (2017 - €NIL).

**Directors**

The directors who served during the year were:

C Cheetham  
R Dixon  
M Watts (resigned 28 September 2018)  
C Smith

**Subsequent events**

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

On 6 August 2018, Amcor Limited, the Company's ultimate parent, announced that it had entered into a definitive agreement under which it will acquire Bemis Company, Inc. in an all-stock combination.

**Future developments**

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

**Directors' responsibilities statement**

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

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), including 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, including 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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

**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.

**Independent auditors**

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

This report was approved by the board on 23 November 2018 and signed on its behalf.



R Dixon  
Director

# ***Independent auditors' report to the members of Amcor Holding No.1 Limited***

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

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### **Opinion**

In our opinion, Amcor Holding No.1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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 2018; 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.

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### **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.

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### **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 when:

- 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.

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### **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 2018 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

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

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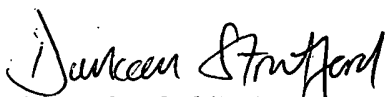
## **Other required reporting**

### **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

23 November 2018



STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 €000	2017 €000
Administrative expenses		(2,429)	(3,081)
Exceptional administrative income	4	-	4,295
<b>Operating (loss)/profit</b>	5	<b>(2,429)</b>	<b>1,214</b>
Income from shares in group undertakings		207,882	-
Reversal of impairment loss		-	10,433
Interest receivable and similar income	6	3,704	3,916
Interest payable and similar expenses	7	(139)	(330)
Other finance costs		(20)	(45)
<b>Profit before taxation</b>		<b>208,998</b>	<b>15,188</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>208,998</b>	<b>15,188</b>
<b>Other comprehensive income/(expense):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) on defined benefit schemes		190	(842)
		<b>190</b>	<b>(842)</b>
<b>Total comprehensive income for the financial year</b>		<b>209,188</b>	<b>14,346</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	Note	2018 €000	2017 €000
<b>Fixed assets</b>			
Investments	11	28,001	28,001
		<u>28,001</u>	<u>28,001</u>
<b>Current assets</b>			
Debtors	12	299,137	299,213
		<u>299,137</u>	<u>299,213</u>
Creditors: amounts falling due within one year	13	(68,894)	(56,304)
		<u></u>	<u></u>
<b>Net current assets</b>		<b>230,243</b>	<b>242,909</b>
<b>Total assets less current liabilities</b>		<b>258,244</b>	<b>270,910</b>
<b>Provisions for liabilities</b>			
Other provisions	15	-	(201)
		<u></u>	<u>(201)</u>
<b>Net assets excluding pension liability</b>		<b>258,244</b>	<b>270,709</b>
Pension liability	16	(691)	(1,462)
		<u></u>	<u></u>
<b>Net assets</b>		<b>257,553</b>	<b>269,247</b>
<b>Equity</b>			
Called up share capital	18	242,977	242,977
Other reserves		359	359
Retained earnings		14,217	25,911
		<u></u>	<u></u>
<b>Total shareholders' funds</b>		<b>257,553</b>	<b>269,247</b>

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

  
R Dixon  
Director

Date: 23 November 2018

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital	Other reserves	Retained earnings	Total shareholders' funds
	€000	€000	€000	€000
At 1 July 2017	242,977	359	25,911	269,247
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	208,998	208,998
Actuarial gains on pension scheme	-	-	190	190
Dividends: Equity capital	-	-	(220,882)	(220,882)
<b>At 30 June 2018</b>	<b>242,977</b>	<b>359</b>	<b>14,217</b>	<b>257,553</b>

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Other reserves	Retained earnings	Total shareholders' funds
	€000	€000	€000	€000
At 1 July 2016	242,977	359	11,565	254,901
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	15,188	15,188
Actuarial losses on pension scheme	-	-	(842)	(842)
<b>At 30 June 2017</b>	<b>242,977</b>	<b>359</b>	<b>25,911</b>	<b>269,247</b>

The notes on pages 10 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. General information**

Amcor Holding No.1 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.

The Company acts as an intermediate holding company for investments in subsidiary undertakings.

**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 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 Limited.

The following principal accounting policies have been 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 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 2018**2. Accounting policies (continued)****2.3 New standards and interpretations, and interpretations not yet applied**

There were a number of 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 9 'Financial Instruments' will be effective for the year ended 30 June 2019 onwards, the main impact being the impairment assessment methodology used to value trade receivables. The Company is currently in the process of finalising the assessment of the impact on the Financial Statements, however, this is not expected to be significant.

**2.4 Going concern**

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

**2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

The directors perform an annual impairment assessment and where a potential exposure is identified. To assess the carrying value of the investments the directors have considered the 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.

**2.6 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.

**2.7 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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

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.

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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 2018**2. Accounting policies (continued)****2.12 Pensions**

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 reporting date less the fair value of plan assets at the reporting 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 Euros 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'.

**2.13 Interest income**

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

**2.14 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 2018

**2. Accounting policies (continued)**

**2.15 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.

**2.16 Foreign currencies**

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

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

Exchange gains and losses are recognised in the profit and loss account.

The local currency of the Company is determined to be Euros and the exchange rate at the balance sheet date was €1 = £0.8841 (2017 - £0.8800).

**2.17 Taxation**

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.

**2.18 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 2018**

**3. Critical accounting estimates and judgments**

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**

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.

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

The Company follows the guidance of IAS 36 to determine whether an investment is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

**4. Exceptional administrative income**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Exceptional items - pension settlement gain	-	4,295
	<u>-</u>	<u>4,295</u>
	<u>-</u>	<u>4,295</u>

An enhanced transfer value exercise was undertaken during 2017 whereby the Company offered deferred members of the Company's pension scheme the option to take a transfer of their benefit entitlement out of the scheme to another approved pension arrangement on enhanced terms.

**5. Operating (loss)/profit**

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

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Exchange differences	(1)	(16)
	<u>(1)</u>	<u>(16)</u>

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, the above details include no emoluments in respect of the directors.

During the current and prior year there were no employees other than the directors.

Auditors' remuneration of €11,310 (2017 - €6,000) relating to audit fees only was borne by its fellow subsidiary and has not been recharged to the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**6. Interest receivable and similar income**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Interest receivable from group companies	<b>3,704</b>	<b>3,916</b>
	<hr/>	<hr/>
	<b>3,704</b>	<b>3,916</b>
	<hr/>	<hr/>

**7. Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Bank interest payable	<b>133</b>	<b>330</b>
Loans from group undertakings	<b>6</b>	<b>-</b>
	<hr/>	<hr/>
	<b>139</b>	<b>330</b>
	<hr/>	<hr/>

**8. Other finance costs**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Expected return on pension scheme assets	<b>453</b>	<b>545</b>
Interest on pension scheme liability	<b>(473)</b>	<b>(590)</b>
	<hr/>	<hr/>
	<b>(20)</b>	<b>(45)</b>
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**9. Tax on profit**

	2018 €000	2017 €000
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Tax on profit</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%). The differences are explained below:

	2018 €000	2017 €000
Profit before taxation	208,998	15,188
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	39,710	3,000
<b>Effects of:</b>		
Non deductible expenditure	23	-
Non-taxable income	(19)	(2,801)
Non taxable dividend income	(39,498)	-
Group relief	(216)	(199)
<b>Total tax charge for the year</b>	-	-

The corporation tax payable for the year has been decreased by €216,000 (2017: €199,000) because of group relief surrendered by a fellow subsidiary for which no payment will be made (2017: €Nil).

**Factors that may affect future tax charges**

The main rate of corporation tax was reduced from 20% to 19% on 1 April 2017. A further reduction to 17% was legislated by Finance Bill 2016, which was substantially enacted on 6 September 2016.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 10. Dividends

	2018 €000	2017 €000
Dividends	220,882	-
	<u>220,882</u>	<u>-</u>

No dividends were declared by the Company after the year-end.

## 11. Investments

	Investments in subsidiary companies €000
<b>Cost or valuation</b>	
At 1 July 2017	32,581
At 30 June 2018	<u>32,581</u>
<b>Impairment</b>	
At 1 July 2017	4,580
At 30 June 2018	<u>4,580</u>
<b>Net book value</b>	
At 30 June 2018	<u>28,001</u>
At 30 June 2017	<u>28,001</u>

## Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Amcors Flexibles Novgorod LLC	Charter Capital	49 %	Packaging manufacturer
Amcors Group GmbH	Ordinary	100 %	Services company
Amcors Flexibles Sweden AB	Ordinary	100 %	Services Company
Pet Envases de Venezuela, S.A.	Charter Capital	100 %	Dormant Company
Envases PlastiResin de Venezuela	Charter Capital	100 %	Dormant Company
Amcors Rigid Plastics (Barbados) Limited	Ordinary	51 %	Dormant Company

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**11. Investments (continued)**

During the prior year the directors reversed €10,433,000 of Amcor Flexibles Novgorod LLC impairment based on improved performance. LMG (Ireland) Limited was also struck off. The investment had been fully written down in previous years.

The directors consider the value of the other investments to be supported by their underlying assets.

The registered offices of the Company's subsidiaries are:

Amcor Flexibles Novgorod LLC - 9 Rabochaya Street, 173008 Veliky, Novgorod, Russia

Amcor Group GmbH - Thurgauerstrasse 34, 8050, Zurich, Switzerland

Amcor Flexibles Sweden AB - Hanögatan 11, SE-211 24, Malmö, Sweden

Pet Envases de Venezuela, S.A. - Avenida Iribarren Borges, Zona Industrial Sur, Parcela 7-11, Parroquia Rafael Urdaneta, Valencia, Estado Carabobo, Venezuela

Envases PlastiResin de Venezuela - Calle Este Oeste 5 C/C AV. Norte Sur 5 edif. Amcor, piso PB, Of Adm. Zona Industrial Municipal Norte Valencia, Estado Carabobo, Venezuela

Amcor Rigid Plastics (Barbados) Limited - Parker House, Wildey Business Park, Wildey Road, St. Michael, Barbados

**12. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<b>297,293</b>	<b>297,293</b>
	<hr/>	<hr/>
<b>Due within one year</b>		
Amounts owed by group companies	<b>1,844</b>	<b>1,920</b>
	<hr/>	<hr/>
	<b>299,137</b>	<b>299,213</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**13. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Bank overdrafts	<b>53,959</b>	<b>17,832</b>
Amounts owed to group undertakings	<b>14,787</b>	<b>38,200</b>
Other creditors	<b>13</b>	<b>13</b>
Accruals and deferred income	<b>135</b>	<b>259</b>
	<b><u>68,894</u></b>	<b><u>56,304</u></b>

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

**14. Financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b><u>299,137</u></b>	<b><u>299,213</u></b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b><u>(68,893)</u></b>	<b><u>(56,304)</u></b>

Financial assets measured at amortised cost comprise of amounts owed by group undertakings. They are unsecured, have no fixed repayment date and bear interest at various rates.

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

**15. Provision for liabilities**

	<b>Provision for onerous lease €000</b>
At 1 July 2017	<b>201</b>
Utilised in year	<b><u>(201)</u></b>
<b>At 30 June 2018</b>	<b><u>-</u></b>

The provision relates to one property which is subject to an onerous lease. The dilapidation costs were settled during the year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**16. Pension commitments**

The Company operates a Defined benefit pension scheme.

Following the closure of Amcor Flexibles Dublin Limited's Dublin Plant on 25 February 2011, Amcor Holding No. 1 Limited was appointed as the new Principal Employer of the Amcor Pension Scheme (Ireland) with effect from 31 December 2011. Effective from the same date, Amcor Holding No. 1 Limited entered into a Funding Agreement thereby undertaking to provide future deficit repair payments in accordance with the Funding Proposal dated 20 October 2009.

The pension scheme is closed to new members and future accrual. Pension costs are charged to operating expenses and other finance income in accordance with FRS 101 with actuarial gains and losses being recognised in the statement of total recognised gains and losses.

An enhanced transfer value exercise was undertaken during 2017 whereby the Company offered deferred members of the Company's pension scheme the option to take a transfer of their benefit entitlement out of the scheme to another approved pension arrangement on enhanced terms.

A full actuarial valuation of the plan was carried out on 1 January 2016.

The risks of the scheme 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**16. Pension commitments (continued)**

Reconciliation of present value of plan liabilities:

	2018 €000	2017 €000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	(28,159)	(42,411)
Current service cost	(100)	(275)
Interest expense	(473)	(591)
Actuarial (losses)/gains	(426)	1,402
Benefits paid	1,069	13,716
<b>At the end of the year</b>	<b>(28,089)</b>	<b>(28,159)</b>

Composition of plan assets:

	2018 €000	2017 €000
Equities	3,722	3,627
Bonds	18,441	17,969
Hedge funds and commodities	4,818	4,694
Cash and cash equivalents	417	407
<b>Total plan assets</b>	<b>27,398</b>	<b>26,697</b>

	2018 €000	2017 €000
Fair value of plan assets	27,398	26,697
Present value of plan liabilities	(28,089)	(28,159)
<b>Net pension scheme liability</b>	<b>(691)</b>	<b>(1,462)</b>

The amounts recognised in profit or loss are as follows:

	2018 €000	2017 €000
Administration costs	(100)	(275)
Interest on pension scheme liabilities	(473)	(590)
Expected return on plan assets	453	545
Gains on curtailments and settlements	-	4,295
<b>Total</b>	<b>(120)</b>	<b>3,975</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**16. Pension commitments (continued)**

Reconciliation of fair value of plan assets were as follows:

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Opening fair value of scheme assets	<b>26,697</b>	<b>33,571</b>
Interest income on plan assets	<b>453</b>	<b>545</b>
Employer contributions	<b>700</b>	<b>4,246</b>
Actuarial gains/(losses)	<b>616</b>	<b>(2,244)</b>
Gains on curtailments and settlements	<b>-</b>	<b>4,295</b>
Benefits paid	<b>(1,068)</b>	<b>(13,716)</b>
	<b>27,398</b>	<b>26,697</b>

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was €12,650,000 (2017 - €12,840,000).

The Company expects to contribute €600,000 to its Defined benefit pension scheme in 2019.

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>1.7</b>	<b>1.7</b>
Future pension increases	<b>1.75</b>	<b>1.75</b>
Inflation assumption	<b>1.75</b>	<b>1.75</b>
Mortality rates		
- at 65 for a male aged 50 now	<b>23.1</b>	<b>21.1</b>
- at 65 for a female aged 50 now	<b>25.3</b>	<b>23.6</b>

Mortality tables used:

Males - 58% ILT15 plus 0.3% p.a. annuity loading for each year from 2014 to Normal Retirement Date  
Females - 62% ILT15 plus 0.25% p.a. annuity loading for each year from 2014 to Normal Retirement Date

Sensitivity analysis of plan liabilities:

A 25bp increase in the discount rate will decrease plan liabilities by €1.3m.  
A 25bp decrease in the discount rate will increase plan liabilities by €1.4m.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**16. Pension commitments (continued)**

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

Defined benefit pension schemes

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Defined benefit obligation	<b>(28,089)</b>	<b>(28,159)</b>	<b>(42,411)</b>	<b>(35,651)</b>	<b>(34,513)</b>
Scheme assets	<b>27,398</b>	<b>26,697</b>	<b>33,571</b>	<b>32,664</b>	<b>29,707</b>
<b>(Deficit)/surplus</b>	<b><u>(691)</u></b>	<b><u>(1,462)</u></b>	<b><u>(8,840)</u></b>	<b><u>(2,987)</u></b>	<b><u>(4,806)</u></b>
Experience adjustments on scheme liabilities	<b>426</b>	<b>1,147</b>	<b>1,064</b>	<b>666</b>	<b>295</b>
Experience adjustments on scheme assets	<b><u>616</u></b>	<b><u>179</u></b>	<b><u>553</u></b>	<b><u>2,354</u></b>	<b><u>1,622</u></b>

**17. 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 2017, the cash pool was in a net surplus position of €62,700,000 (2017 - €27,000,000).

**18. Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
<b>Allotted, called up and fully paid</b>		
242,977,000 (2017 - 242,977,000) ordinary shares of €1 each	<b><u>242,977</u></b>	<b><u>242,977</u></b>

The shares rank equally and entitle the holder to one vote in respect of each share held.

**19. Ultimate Parent Undertaking and Controlling Party**

The immediate parent undertaking is Amcor Holding registered in England and Wales.

The ultimate parent undertaking and controlling party is Amcor Limited, incorporated in Australia, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of Amcor Limited consolidated financial statements can be obtained from the Company Secretary at 109, Burwood Road, Hawthorn, Victoria 3122, Australia.

On 6 August 2018, Amcor Limited, the Company's ultimate parent, announced that it had entered into a definitive agreement under which it will acquire Bemis Company, Inc. in an all-stock combination.