Registered number: 04039373

AMCOR FLEXIBLES SWANSEA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	M C Burrows B Padley (resigned 31 March 2021) G B C Taillandier G W Thomas (resigned 9 September 2022) A Stafford (appointed 31 March 2021) P Beynon (appointed 23 March 2023)
Registered number	04039373
Registered office	Siemens Way Swansea Enterprise Park Swansea West Glamorgan SA7 9BB

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Introduction

The directors present their Strategic Report of Amcor Flexibles Swansea Limited for the year ended 31 December 2021.

Business review

The Company's principal business is the manufacture and distribution of speciality plastic film and packaging.

During the year the Company saw Turnover decrease slightly to £28,582,000 (2020: £31,564,000), with marginal increases to raw material prices and administration costs. As a result the financial position of the Company saw an Operating loss of £1,571,000 (2020: £2,384,000 profit) and a slight decline in net assets to £10,422,000 (2020 - £10,538,000).

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

The Company looks forward to the 2022 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 with the impact of the Covid-19 pandemic continually monitored as a principal risk and uncertainty.

Principal risks and uncertainties

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

• Changes in customer demand patterns across various industries;
• The loss of key customers, a reduction in production requirements or consolidation could impact sales revenue and profitability;
• Challenging local and international economic conditions, including the conflict in Ukraine, have had and may continue to have, a negative impact on the business;
• Costs and liabilities related to current and future environmental and health and safety laws and regulations;
• Price fluctuations or availability of raw materials, energy and other inputs could adversely impact the business;
• Production, supply and other commercial risks which may be exacerbated during times of economic slowdown;
• A failure or disruption in our information technology systems could disrupt our operations, compromise customer, employee, supplier and other data and could negatively affect our business; and
• The impact of the ongoing 2019 Novel Coronavirus ("COVID-19") outbreak or other similar outbreaks.

Our business strategy includes both organic expansion of our existing operations, particularly through efforts to strengthen and expand relationships with customers and product innovation. The Company operates in highly competitive markets and end use areas, each with varying barriers to entry, industry structures, and competitive behaviour. We regularly bid for new and continuing business in the industries and regions in which we operate and we continue to change in response to consumer demand.

We have been able to work closely with our suppliers and customers, leveraging our global capabilities and expertise to work through supply and other resulting issues to date. Supplies of certain raw materials continue to be tight through 2022 as supply channels recover, barring any future weather or other impacts. We collaborate with customers, suppliers, and innovators to create industry-leading solutions, and with other stakeholders to increase available infrastructure for waste collection, sorting and recycling, and to inform consumers about the importance of packaging and how to reduce its environmental impacts through recycling. Wherever possible the Company's policy seeks to work with customers to minimize exposure to price volatility by passing through the commodity price risk.

The UK Government published primary legislation on 3 March 2021 and forms part 2 of the Finance Act 2021 introducing a new Plastic Packaging Tax that has taken effect from 1 April 2022. Secondary legislation will be introduced later this year. The Plastic Tax will apply to plastic packaging manufactured in, or imported into, the UK where the plastic used in its manufacture is less than 30% recycled at a rate of £200 per tonne. The

Company has initiated a review of its activities drawing on the Groups expertise and centralised functions in order to model the likely impact of the tax on the business, conducting a life cycle assessment of the business flow and assessing the supply chain impact together with engaging in dialogue with customers and suppliers, so that the impact on the business is managed.

The Company has assessed how best to satisfy the potential compliance requirement, reviewed existing data and reporting capability to support the necessary record keeping needed and now collects the tax from its customers. The Company is also considering what impact the application of a plastic tax will have on overseas markets with Italy and Spain already planning similar taxes and levies.

Global Health Outbreaks

As a member of the Amcor Group, we continue to believe we are well-positioned to meet the challenges of outbreaks of contagious diseases including COVID-19. Whilst governmental authorities have implemented and, in certain regions, are continuing to implement numerous measures to try to contain the virus, such as travel bans and restrictions, limitations on gatherings, quarantines, shelter-in-place orders, and business shutdowns. Measures providing for business shutdowns generally exclude essential services and the critical infrastructure supporting the essential services. We have experienced minimal disruptions to our operations to date as we have largely been deemed as providing essential services.

However, we cannot reasonably estimate the duration and severity of this pandemic or its ultimate impact on the global economy and our operations and financial results. The ultimate near-term impact of the pandemic on our business will depend on the extent and nature of any future disruptions across the supply chain, the implementation of further social distancing measures and other government-imposed restrictions, as well as the nature and pace of macroeconomic recovery in key global economies.

Financial risk management

The Company's principal financial assets are bank balances, trade receivables and amounts due from group undertakings. This creates exposures to raw material price fluctuation, credit risk, liquidity risk and interest rate risk. The Directors monitor market movements in material and commodity prices in conjunction with Amcor Group Policy although do not consider it cost effective to undertake formal hedging arrangements.

The Company manages its credit risk in relation to trade debtors by spreading exposure over a large number of customers, implemented policies that require appropriate credit checks on potential customers before a sale is made, and by holding credit insurance if it is felt necessary.

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

The Company has medium term debt finance designed to ensure sufficient available funds for operations and planned activities within Amcor Group policy. This limits the impact of interest rate fluctuation to this available pool.

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.

Directors' S172 statement of compliance with duty to promote the success of the Company

In accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting Regulations 2018), this Section 172 statement, explains how the Company's directors:

• have engaged with employees, suppliers, customers and others; and
• have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others, in taking principal decisions taken by the company during the financial year.

The Company's ultimate parent company is Amcor Plc and the considerations for decision making are embedded at individual board level and across the group with the directors acting in good faith to promote the success of the Company consistently within group governance, culture, value, behaviour and strategy referenced within the Strategic Report. The level of information disclosed is consistent with the size and complexity of the business. The Board meet on a periodic basis to consider the key decisions arising to implement the strategic direction as provided by the Amcor Group and the performance of the Company.

When making decisions each Director ensures they act in good faith and in a way to promote the Company's success for the benefit of the members as a whole having regard to:

Long-term sustainability

The Company supports the financing requirements across the group in a responsible and balanced approach in order to enable the longer term viability of the Company and wider interests of the group. Key decisions and representations provided by Group to the Company's Board of Directors are considered and executed on a timely basis consistent with group strategy. During the year to 31 December 2021 this has included various energy efficiency projects such as continued replacement of fluorescent lighting with LED lighting and the introduction of more energy efficient plant as part of the wider strategy of the group. Dividends are declared and paid after due consideration of current profitability and adequacy of retained earnings to meet future funding requirements and the overall financial health of the Company.

Employees

The Directors recognise that continued success is dependent on the ability to identify, attract, motivate, train and retain qualified personnel in key functions and geographical areas encompassed as the "Amcor Way". The Company is focussed on being a responsible employer, from pay and benefits to our health, safety and workplace environment, where the Directors consider the implications of decisions on employees and the wider workforce, where relevant and feasible including a regular Engagement Survey across the businesses. The appointment of employee representation is encouraged on a representative basis to attend European Works Council meetings on a regular basis and feed back to a wider group of elected delegates covering sites in the UK. The Directors also recognise that pensioners, though no longer employees, also remain important stakeholders.

Suppliers, customers and others

The Directors, as members of the group, recognise the beneficial relationship of working collaboratively across the supply chain from supplier, customers and others. Each company within the group is bound by Group policies consistent with the culture in all key areas including supplier management and outsourcing and customer conduct. This includes the regular collection of data in order to monitor and evaluate the risk to supply continuity, value and innovation through to customer research and evaluation for management and directors.

Community and environment

The Directors seek to minimise any detrimental impact the Company's operations may have on the environment through continued review of work practices, safety, product sustainability and energy efficiency. The Company also supports a range of charitable and community activity locally based on employee involvement. The Company as a member of the Amcor group of companies has pledged to develop all the packaging to be recyclable or reusable by 2025 including being a signatory to the Global Commitment in October 2018 sponsored by the Ellen MacArthur Foundation in collaboration with the United Nations Environment Programme.

Business conduct

The Company aims to conduct all its business relationships with integrity, courtesy and fulfil each business agreement.

Acting fairly across key stakeholders of the Company

The Directors of the Company are aligned with the strategy of the group and the aspiration to be the leading packaging company for the benefit of customers, employees, shareholders, suppliers and the environment. The board aim to provide clear information to the parent company as to the performance of the business in supporting group strategy. The group has developed a focussed portfolio to support the needs of customers, the Amcor Way describing the capabilities deployed consistently across Amcor functions to demonstrate leadership allowing the business portfolio to generate strong cash flow and support shareholder value creation which the Directors believe to be entirely consistent with the requirements of Section 172 (1).

Financial and non-financial key performance indicators

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being turnover, gross profit, operating profit and profit on ordinary activities before taxation as set out in the Statement of Comprehensive Income and are as follows:

	2021	2020
Financial key performance indicators		
Turnover (£000)	**28,582**	*31,564*
Gross profit (£000)	**7,449**	*10,821*
Margin	**26.06%**	*34.29%*
Operating (loss)/profit (£000)	**(1,571)**	*2,384*
Non-financial key performance indicators	**No.**	*No.*
Average number of employees	**185**	*205*

There were no reports of any workplace accidents in the current or prior year.

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

....
M C Burrows
Director

Date: 24 March 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1,407,000 *(2020 - profit £1,690,000).*

The Company has paid a dividend of £nil (2020 - £nil) and does not recommend the payment of a final dividend (2020 - £nil).

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

The directors who served during the year were:

M C Burrows
B Padley (resigned 31 March 2021)
G B C Taillandier
G W Thomas (resigned 9 September 2022)
A Stafford (appointed 31 March 2021)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are 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 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.

Going concern

The financial statements have been prepared on a going concern basis. In reaching this assessment the Directors have considered a variety of information related to present and future projections of profitability, cash flows and capital resources and are satisfied that the Company's financial obligations can be met as they fall due for a period of at least 12 months from the date of signing these financial statements. This includes the potential global economic repercussions as a consequence of events unfolding in eastern Europe. The Directors also received a letter of support from Amcor Plc indicating the intention that the ultimate parent company would provide resources as necessary for the Company to meet financial obligations.

The impact that the recent Covid-19 pandemic will have on the Amcor Plc Group's operations continues to be uncertain. Despite the existing market uncertainties and volatilities stemming from the COVID-19 pandemic, the Company Directors believe the Company and Group's current and expected cash flow from operating and funding activities will continue to provide sufficient liquidity to fund operations, capital expenditure and other commitments into the foreseeable future. These operating and funding cash flows will be supported with either borrowings available from fellow subsidiaries under the Group's credit facilities and banking arrangements or in conjunction with the Commercial Paper and Eurobond market programmes. On this basis the directors have continued to adopt the going concern basis of accounting in the Company financial statements.

Research and development activities

The Company is committed to research and development activities in order to secure its position in the markets in which it operates. Research and development expenditure is charges to the Statement of Comprehensive Income during the period which it is incurred.

Employee involvement

Employees are regularly provided with information concerning the performance and prospects of the business in which they are involved, through employee forums, briefing groups, notice boards and staff publications. Views of employees are sought through management consultation and elected employee representatives from the UK attend European Works Council meetings on a regular basis and feed back to a wider group of elected delegates covering sites in the UK. These processes allow the views of personnel to be taken into account. Similarly issues relevant to the pension scheme are covered by means of selected representatives.

Disabled employees

The Company's equal opportunity policy encourages the employment and development of suitable people including those with disabilities. No unnecessary limitations are placed on the type of work that they perform and the policy ensures that, in appropriate cases, consideration is given to modifications to equipment or premises and to adjustments in working practices. The policy contains a code of good practice for those who become disabled whilst in employment to ensure they receive the necessary support needed, wherever possible, enabling them to continue in their role. In consultation with the individual this will involve whatever reasonable adjustments are possible alongside consideration of other positions where the individual's skills and abilities match the requirements of the role.

Streamlined Energy and Carbon Reporting

The Company does not qualify as a large unquoted company in accordance with sections 465 and 466 of the Companies Act 2006 and is required to prepare and file energy and carbon information in the Directors' Report. Actions are in place to increase energy efficiency and reduce carbon emissions. To date, the majority of our progress toward Amcor's 2030 EnviroAction goal has come from working to reduce Scope 1 and 2 emissions within each plant. Amcor operations and facilities teams have focused on energy efficiency projects at the site including replacing the chillers, upgrading the dryer, improving the LPHV compressor and revision to working patterns along with adopting Energy Supervisory Control and Data Acquisition (SCADA) systems to better track and control plant-level energy usage. Amcor Flexibles Swansea Limited also benefits from Energy management teams as they seek opportunities to improve energy efficiency within our facilities. The Amcor Group of Companies continue to explore renewable energy sourcing opportunities such as power purchase agreements and renewable energy sourcing.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant 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 information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The Company has conducted an assessment of events after the balance sheet date and concluded that no events have occurred which are anticipated to materially affect the entity requiring disclosure or adjustment to the financial statements. This includes the potential global economic repercussions as a consequence of events unfolding in Eastern Europe.

External 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 and signed on its behalf.

....
M C Burrows
Director

Date: 24 March 2023

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 31 December 2021; the Statement of Comprehensive Income and 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

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation including corporation tax, employment tax and VAT, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to overstate revenue or improve the reported results and the potential for management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiries of management in respect of any known or suspected instances of non compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations;
- Testing for management bias in judgments and estimates, including those related to the employee benefit obligations; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

We have no exceptions to report arising from this responsibility.

Stuart Couch

Stuart Couch (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
29 March 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	**28,582**	*31,564*
Cost of sales		**(21,133)**	*(20,743)*
Gross profit		**7,449**	*10,821*
Distribution costs		**(849)**	*(827)*
Administrative expenses		**(8,171)**	*(7,610)*
Operating (loss)/profit	5	**(1,571)**	*2,384*
Interest receivable and similar income	9	**2**	*5*
Interest payable and similar expenses	10	**(62)**	*(74)*
Other Finance Costs	11	**(27)**	*(57)*
(Loss)/profit before tax		**(1,658)**	*2,258*
Tax on (loss)/profit	12	**251**	*(568)*
(Loss)/profit for the financial year		**(1,407)**	*1,690*
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit schemes		**1,623**	*(855)*
Movements of deferred tax relating to pension surplus/(deficit)		**(332)**	*162*
Total other comprehensive income/(expense)		**1,291**	*(693)*
Total comprehensive (expense)/income for the year		**(116)**	*997*

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 14 to 36 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
Fixed assets					
Tangible assets	13		**12,293**		*13,172*
Investments	14		**6,546**		*6,546*
			18,839		*19,718*
Current assets					
Stocks	15	**4,383**		*3,839*	
Debtors: amounts falling due within one year	16	**5,467**		*4,789*	
Pension asset		**18**		-	
Cash And Cash Equivalents	17	**4,851**		*2,052*	
		14,719		*10,680*	
Creditors: amounts falling due within one year	18	**(22,666)**		*(17,531)*	
Net current liabilities			**(7,947)**		*(6,851)*
Total assets less current liabilities			**10,892**		*12,867*
Deferred taxation	20	**(470)**		*(389)*	
			(470)		*(389)*
Pension liability			-		*(1,940)*
Net assets			**10,422**		*10,538*
Capital and reserves					
Called up share capital	23		**6,899**		*6,899*
Capital contribution reserve	24		**6,954**		*6,954*
Accumulated losses	24		**(3,431)**		*(3,315)*
Total shareholders' funds			**10,422**		*10,538*

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

....
M C Burrows
Director

Date: 24 March 2023

The notes on pages 14 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Capital contribution reserve	Accumulated losses	Total shareholders' funds
	£000	£000	£000	£000
At 1 January 2020	**6,899**	**-**	**(4,312)**	**2,587**
Comprehensive income for the year				
Profit for the financial year	-	-	1,690	1,690
Actuarial losses on pension scheme net of deferred tax	-	-	(693)	(693)
Total comprehensive income for the year	-	-	997	997
Capital contribution	-	6,954	-	6,954
At 31 December 2020 and 1 January 2021	**6,899**	**6,954**	**(3,315)**	**10,538**
Comprehensive expense for the year				
Loss for the financial year	-	-	(1,407)	(1,407)
Actuarial gains on pension scheme net of deferred tax	-	-	1,291	1,291
Total comprehensive expense for the year	-	-	(116)	(116)
At 31 December 2021	**6,899**	**6,954**	**(3,431)**	**10,422**

The notes on pages 14 to 36 form part of these financial statements.

1. General information

Amcor Flexibles Swansea Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Siemens Way, Swansea Enterprise Park, Swansea, West Glamorgan, SA7 9BB, Wales.

The Company's principal business is the manufacture and distribution of specialty plastic film and packaging.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in GBP and rounded to the nearest thousand unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flow;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Amcor Plc as at 30 June 2021 and 30 June 2022, and these financial statements may be obtained from the Group's website at www.amcor.com/investors.

2.3 New standards and interpretations and interpretations not yet applied

While harmonisation of FRS 102 with IFRS is a long-term aim, the FRC has indicated they will not be incorporating the principles of IFRS 16 into FRS 102 at this time. Further evidence-gathering and analysis needs to be undertaken by the FRC before they determine the appropriate timetable and approach to reflect the principles into FRS 102.

There were no other amendments to existing standards and interpretations that were effective for the current period having an impact on the Company.

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis. In reaching this assessment the Directors have considered a variety of information related to present and future projections of profitability, cash flows and capital resources and are satisfied that the Company's financial obligations can be met as they fall due for a period of at least 12 months from the date of signing these financial statements. This includes the potential global economic repercussions as a consequence of events unfolding in eastern Europe. The Directors also received a letter of support from Amcor Plc indicating the intention that the ultimate parent company would provide resources as necessary for the Company to meet financial obligations.

The impact that the recent Covid-19 pandemic will have on the Amcor Plc Group's operations continues to be uncertain. Despite the existing market uncertainties and volatilities stemming from the COVID-19 pandemic, the Company Directors believe the Company and Group's current and expected cash flow from operating and funding activities will continue to provide sufficient liquidity to fund operations, capital expenditure and other commitments into the foreseeable future. These operating and funding cash flows will be supported with either borrowings available from fellow subsidiaries under the Group's credit facilities and banking arrangements or in conjunction with the Commercial Paper and Eurobond market programmes. On this basis the directors have continued to adopt the going concern basis of accounting in the Company financial statements.

2.5 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.6 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 basis:

Long-term leasehold property	- Term of the lease
Plant and machinery	- 7 to 20 years
Office equipment	- 3 to 5 years
Assets under construction	- Not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

A review for impairment of tangible assets is carried out if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. 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 fair value less costs to sell and the value in use. Value in use is based on the present value of the future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 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 a full impairment review. To assess the carrying value of the investments the directors consider underlying net asset values and future earnings where appropriate. Any impairment recognised is taken to the Statement of Comprehensive Income. Where the directors become aware that the circumstances that gave rise to a previous impairment are no longer applicable the impairment is reversed. The credit is recognised in the Statement of Comprehensive Income.

2.8 Stocks

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

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

2.9 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)

2.10 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.

2.11 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative

amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which

2. Accounting policies (continued)

2.11 Financial instruments (continued)

is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through the Statement of Comprehensive Income are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

Nonmonetary 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.

2.15 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.

2.16 Operating leases: the Company as lessor

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

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

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

The plan was closed to new entrants and future accrual along with the removal of the salary link for active members benefit with effect from 30 September 2020. This led to the recognition of a curtailment item on the Statement of Comprehensive Income for the year ended 31 December 2020 based on market conditions at 30 September 2020.

The asset or 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 sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 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 the Statement of Comprehensive Income 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 the Statement of Comprehensive Income as a 'finance expense'.

A surplus is recognised when the entity is able to recover the surplus through reduced contributions or through refunds to the plan.

2. Accounting policies (continued)

2.18 Interest income

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

2.19 Borrowing costs

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

2.20 Provisions for liabilities

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

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

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

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

3. Critical accounting estimates and judgements

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.

3.1 Critical accounting estimates and assumptions

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

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

(b) Impairment of assets
The Company assess at each reporting date whether an asset may be impaired. If there is any such indication that the carrying value may not be recoverable, the Company estimates the recoverable amount of the asset. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through the Statement of Comprehensive Income.

(c) Defined benefit pension scheme
The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. The Company uses a specialist third party to advise on the appropriate assumptions to use and the main assumptions are set out in note 21 of the financial statements.

3.2 Critical judgments in applying the entity's accounting policies

The Company makes judgements concerning the future in applying the Company's accounting policies and can have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Stock provisioning
The Company is subject to changing customer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 15 for the net carrying amount of the stock.

(b) Impairment of debtors
The Company makes an estimate of the recoverable value of trade and other debtors: When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

3. Critical accounting estimates and judgements - continued

(c) Valuation of investments
The Company follows the guidance of FRS102 to determine whether an investment is impaired. This determination requires significant judgement. In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than cost.

(d) Defined benefit pension scheme
Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the group. In the judgement of the directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably 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 21 for further detail.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

	2021 £000	*2020 £000*
Sale of goods	**28,582**	*31,564*
	28,582	*31,564*

Analysis of turnover by country of destination:

	2021 £000	*2020 £000*
United Kingdom	**6,529**	*7,042*
Rest of Europe	**20,185**	*23,163*
Rest of the world	**1,868**	*1,359*
	28,582	*31,564*

5. Operating (loss)/profit

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

	2021 £000	*2020 £000*
Research & development charged as an expense	**757**	*303*
Depreciation of tangible fixed assets	**1,563**	*1,490*
Exchange differences	**62**	*73*
Operating lease rentals	**42**	*40*
Defined contribution pension cost	**722**	*418*
Defined benefit pension cost/(credit)	**142**	*(1,572)*

During 2020, the Defined benefit pension credit is stated net of a curtailment gain of £2,172,000 as set out in Note 21.

6. Auditors' remuneration

	2021 £000	*2020 £000*
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	**53**	*52*

7. Employees

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

	2021 £000	*2020 £000*
Wages and salaries	**5,770**	*6,076*
Social security costs	**547**	*613*
Cost of defined benefit scheme	**142**	*(1,572)*
Cost of defined contribution scheme	**722**	*418*
	7,181	*5,535*

The emoluments of the directors which were paid by the company were £174,000 (2020: £119,000).

The cost of defined benefit pension scheme for 2021 does not include a curtailment gain (2020: £2,172k) as outlined in note 21.

The average monthly number of persons, (including directors), employed by the company during the year was:

	2021 No.	*2020 No.*
Management	**3**	*5*
Administration	**11**	*15*
Production	**171**	*185*
	185	*205*

8. Directors' remuneration

The directors' emoluments were as follows:

	2021 £000	2020 £000
Directors' emoluments	**174**	*119*
	174	*119*

Post-employment benefits are accruing for 2 directors under the defined contribution scheme. Total employer contributions for 2021 were £9,000 (2020: £6,000)

9. Interest receivable and similar income

	2021 £000	2020 £000
Other interest receivable	**2**	*5*
	2	*5*

10. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	**62**	*74*
	62	*74*

11. Other finance costs

	2021 £000	2020 £000
Net interest on net defined benefit liability	**(27)**	*(57)*
	(27)	*(57)*

12. Tax on (loss)/profit

	2021 £000	*2020 £000*
Corporation tax		
Adjustments in respect of previous periods	-	*(123)*
Total current tax	-	*(123)*
Deferred tax		
Origination and reversal of timing differences	**(126)**	*543*
Changes to tax rates	**119**	*1*
Adjustments in respect of prior years	**(244)**	*147*
Total deferred tax	**(251)**	*691*
Taxation on (loss)/profit	**(251)**	*568*

Factors affecting tax credit/(charge) for the year

The tax assessed for the year is higher than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £000	*2020 £000*
(Loss)/profit before taxation	**(1,658)**	*2,258*
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(315)**	*429*
Effects of:		
Expenses not deductible for tax purposes	-	*3*
Fixed asset differences	**10**	*37*
Adjustments to tax charge in respect of prior periods	**(244)**	*24*
Tax rate change	**89**	*1*
Other permanent differences	**61**	-
Group relief	**148**	*74*
Total tax (credit)/charge for the year	**(251)**	*568*

The corporation tax payable for the year has been reduced by £148,000 (2020 - £74,000) because of group relief claimed from a fellow subsidiary, for which no payment will be made (2020 - £NIL).

12. Tax on (loss)/profit (continued)

Factors that may affect future tax charges

A reduction in the main rate of corporation tax in the UK from 19% to 17% was substantively enacted in September 2016 and was scheduled to take effect from 1 April 2020. However in the 2020 Budget, the Government announced that this rate reduction would no longer occur. In March 2021, the Government announced a corporation tax rate increase from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

The deferred tax balance at year end has been recognised at 25%, being the substantively enacted rate effective from 1 April 2023 and the rate at which deferred tax balances are expected to be reversed.

13. Tangible assets

	Long-term leasehold property £000	Plant and machinery £000	Office equipment £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 January 2021	**4,131**	**36,643**	**498**	**694**	**41,966**
Additions	-	-	-	**684**	**684**
Transfers between classes	**249**	**611**	**(134)**	**(726)**	-
At 31 December 2021	**4,380**	**37,254**	**364**	**652**	**42,650**
Depreciation					
At 1 January 2021	**2,195**	**26,248**	**351**	-	**28,794**
Charge for the year on owned assets	**156**	**1,378**	**29**	-	**1,563**
Transfers between classes	**88**	**31**	**(119)**	-	-
At 31 December 2021	**2,439**	**27,657**	**261**	-	**30,357**
Net book value					
At 31 December 2021	**1,941**	**9,597**	**103**	**652**	**12,293**
At 31 December 2020	*1,936*	*10,395*	*147*	*694*	*13,172*

13. Tangible assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £000	*2020 £000*
Long leasehold	**1,941**	*1,936*
	1,941	*1,936*

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	**6,546**
At 31 December 2021	**6,546**

On 30 November 2020 as part of a group restructuring exercise Bemis Flexible Packaging Canada Limited became a 100% subsidiary of Amcor Flexibles Swansea Limited.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	**Registered office**	**Class of shares**	**Holding**
Amcor Flexibles Distribution Espana	Rambla del Celler,133,08172 Sant CugatdelVallès, Barcelona,Spain	Ordinary	100%
Bemis Flexible Packaging Canada Ltd	180 Dundas St. WestSuite 1200 Toronto ONM5G 1Z8 Canada	Ordinary	100%

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

15. Stocks

	2021 £000	2020 £000
Raw materials and consumables	1,750	1,635
Work in progress (goods to be sold)	2,043	1,437
Finished goods and goods for resale	590	767
	4,383	3,839

Stock recognised in cost of sales during the year as an expense was £11,173,000 (2020: £12,613,000).

An impairment of £95,000 (2020: £140,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	2,324	2,327
Amounts owed by group undertakings	2,857	2,008
Other debtors	107	270
Prepayments and accrued income	179	184
	5,467	4,789

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provision for impairment of £39,000 (2020: £62,000).

17. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	4,851	2,052
	4,851	2,052

18. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank overdrafts	**15,785**	*11,238*
Trade creditors	**3,084**	*2,902*
Amounts owed to group undertakings	**2,259**	*1,934*
Other taxation and social security	**98**	*84*
Other creditors	**106**	*105*
Accruals and deferred income	**1,334**	*1,268*
	22,666	*17,531*

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

The overdraft is unsecured, repayable on demand and interest is payable at various rates.

19. Financial instruments

	2021 £000	2020 £000
Financial assets		
Cash at bank and in hand measured at amortised cost	**4,851**	*2,052*
Financial assets measured at amortised cost	**5,467**	*4,789*
	10,318	*6,841*
Financial liabilities		
Financial liabilities measured at amortised cost	**(21,234)**	*(16,179)*

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

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

20. Deferred taxation

	2021 £000
At beginning of year	(389)
Charged to profit or loss	251
Charged to other comprehensive income	(332)
At end of year	**(470)**

The provision for deferred taxation is made up as follows:

	2021 £000	*2020 £000*
Accelerated capital allowances	(497)	*(811)*
Short term timing differences	27	*397*
Losses	-	*25*
	(470)	*(389)*

Of the deferred tax liability at the end of the year, it is anticipated that £304,000 will reverse in the year beginning after the reporting period due to depreciation of existing fixed assets and unwinding of short term timing differences.

21. Post-employment benefits

Company Defined Contributions Pension Scheme
The Company operates a Defined Contributions Pension Scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable by the Company to the fund amounted to £722,000 (2020: £418,000). The balance of the defined contributions pension scheme at the year end is £63,000 (2020: £82,000).

Company Defined Benefit Pension Scheme
The Company operates a Defined Benefit Pension Scheme. The plan was closed to new entrants and future accrual along with the removal of the salary link for active member benefits with effect from 30 September 2020. This change has led to the recognition of a curtailment item on the Income Statement for the year ending 31 December 2020 based on market conditions at 30 September 2020.

The scheme is held in an independent trust. The valuation of the fund and the pension costs are assessed with the advice of a qualified actuary, using the projected unit method. A full actuarial valuation was carried out as at 31 December 2020. Prior to this a full actuarial valuation of this Plan was carried out as at 5 April 2018.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation, based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 December 2021. The projected unit method has been used.

21. Post-employment benefits - continued

	2021	2020
	£000	£000
Reconciliation of present value of plan liabilities		
Opening defined benefit obligation	**(43,200)**	*(38,732)*
Current service cost	-	*(484)*
Interest cost	**(641)**	*(766)*
Administration cost	**(142)**	*(116)*
Actuarial gains/(losses)	**1,615**	*(6,298)*
Benefits paid	**1,414**	*1,024*
Curtailment gain	-	*2,172*
	(40,954)	*(43,200)*

	2021	2020
	£000	£000
Reconciliation of fair value of plan assets		
At the beginning of the year	**41,260**	*35,628*
Interest income on plan assets	**614**	*709*
Interest cost	-	-
Actuarial gains	**8**	*5,443*
Contributions by employers	**504**	*504*
Benefits paid	**(1,414)**	*(1,024)*
Expenses	-	-
At the end of the year	**40,972**	*41,260*

	2021	2020
	£000	£000
Composition of plan assets		
Equities	**24,171**	*22,496*
Bonds	**15,442**	*17,855*
Cash	**1,359**	*909*
Total plan assets	**40,972**	*41,260*

21. Post-employment benefits - continued

	2021	*2020*
	£000	*£000*
Fair value of plan assets	**40,972**	*41,260*
Present value of plan liabilities	**(40,954)**	*(43,200)*
Net pension scheme liability	**18**	*(1,940)*

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2021	*2020*
	£000	*£000*
Current service cost	**-**	*(484)*
Interest on obligation	**(641)**	*(766)*
Curtailed gains	**-**	*2,172*
Interest income on plan assets	**614**	*709*
Scheme costs	**(142)**	*(116)*
Gains on curtailments and settlements	**-**	*-*
Total	**(169)**	*1,515*

The amount of actuarial gain recognised in the Statement of Comprehensive Income for the year was £1,623,000 (2020: loss £855,000).

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

	2021	2020
	%	%
Discount rate	**1.5**	*2.0*
Future pension increases	**2.6**	*2.3*
Inflation assumption - CPI	**2.6**	*2.3*
Inflation assumption - RPI	**2.6**	*2.3*
Post retirement life expectancy (age)		
- for a male aged 65 now	**21.7**	*21.4*
- at 65 for a male aged 50 now	**22.4**	*22.1*
- for a female aged 65 now	**24.1**	*23.4*
- at 65 for a female member aged 50 now	**25.0**	*24.3*

Mortality rates:

Mortality male - S3PMA (Year of Birth) CMI 2020 future improvements with a 1% per annum trend.

Mortality female - S3PFA (Year of Birth) CMI 2020 future improvements with a 1% per annum trend.

Sensitivity analysis of plan liabilities:

A 10bp increase in the discount rate will decrease plan liabilities by £860,000 (2020: £898,000).
A 10bp decrease in the discount rate will increase plan liabilities by £886,000 (2020: £916,000).

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

22. Commitments under operating lease

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	*2020*
	£000	*£000*
Not later than 1 year	**42**	*20*
Later than 1 year and not later than 5 years	**55**	*62*
	97	*82*

23. Called up share capital

	2021	*2020*
	£000	*£000*
Allotted, called up and fully paid		
6,899,407 *(2020 - 6,899,407)* Ordinary shares of £1.00 each	**6,899**	*6,899*

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

24. Reserves

Capital contribution reserve

On 30th November 2020 following a group restructuring exercise Bemis Flexible Packaging Canada Ltd became a 100% subsidiary of Amcor Flexibles Swansea Limited.

Amcor Flexibles North America, Inc made a capital contribution of the Bemis Flexible Packaging Canada Interests and One-Million Dollars ($1,000,000 USD) to Amcor Flexibles Swansea Limited for no consideration, and the contributed assets are to be held as part of the capital and reserves of Amcor Flexibles Swansea Limited, and are not for the purposes of Amcor Flexibles Swansea Limited's trade.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

25. Contingent liability

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 31 December 2021. the cash pool was in a negative net position of €50,199,000 (2020: €25,624,000 negative).

26. Controlling party

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

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.