

AMCOR FLEXIBLES SWANSEA LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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AMCOR FLEXIBLES SWANSEA LIMITED

COMPANY INFORMATION

Directors

M C Burrows
B Padley (resigned 31 March 2021)
G B C Taillandier
G W Thomas
A Caine (appointed 31 March 2021)

Registered number

04039373

Registered office

Siemens Way
Swansea Enterprise Park
Swansea
West Glamorgan
SA7 9BB

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present their Strategic Report of Amcor Flexibles Swansea Limited for the year ended 31 December 2020.

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 remain consistent with 2019, with inflationary pressure to raw material prices being offset by administration cost reduction initiatives. As a result the financial position of the Company improved net assets to £10,538,000 (2019 - £2,587,000).

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 2021 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 have had, and may continue to have a negative impact on the business;
- Price fluctuations or availability of raw materials, energy and other inputs could adversely impact the business; and
- Production, supply and other commercial risks which may be exacerbated during times of economic slowdown.

This has allowed the Company to demonstrate durability in dealing with the political and economic developments over the last 12 months. The Company has contributed to European and Global project initiatives within the Group in a structured way including to manage the impacts of the UK leaving the European Union. The Company will continue to act responsibly and coordinate actions through the supply chain of its group undertakings to maintain supply and preserve safety. Working with suppliers and customers the Company and its group undertakings are well placed to respond positively to situations as they arise in supporting the continuity of supply across the essential markets of food and healthcare. During H2 the business encountered the unprecedented uncertainty and challenges arising from the Covid-19 pandemic although the defensive end markets in which the Company mainly operates have demonstrated the same resilience experienced through past economic cycles.

However, the continuing uncertainty around the duration and severity of the pandemic makes estimating the impact on the Company's operations and financial results difficult. Rigorous precautionary measures are in place to protect employees, customers and suppliers and are expected to continue until the pandemic is adequately contained for the business. The Company has not experienced any significant disruptions in the supply chain to date and continues to monitor the risk of customer, raw material and other supply chain disruption.

Financial risk management

The Company's principal financial assets are bank balances, trade debtors and inter-company debtors creating exposures to raw material process, credit risk, liquidity risk and interest rate risk.

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 Swansea Limited. The Company does not enter into speculative financial instruments.

The directors monitor market movements in material and commodity prices on conjunction with Amcor Group policies although do not consider it cost effective to undertake any 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 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 fluctuations to this available funding 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, which is reported for the first time, 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 other, 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 2020 this has included various energy efficiency projects introducing LED lighting and remaining compressed air leaks. 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. No dividends can currently be paid.

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 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.

Employees are regularly provided with information concerning the performance and prospects of the business in which they are involved through employee forums, briefing groups and staff publications.

The appointment of employee representation is encouraged on a representative basis to attend European Works

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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. Issues relevant to the pension scheme are covered by means of selected representatives.

Disabled employees

Our equal opportunities policy contains a code of good practice on disability which states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, that they are able to continue in their role. This will involve whatever reasonable adjustments can be made, in consultation with the individual. Again, in consultation with the individual, other positions will be considered where the individual's skills and abilities match the requirements of the role, making reasonable adjustments wherever possible.

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 sought to minimise any detrimental impact of the Company's operations may have on the environment. 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 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:

AMCOR FLEXIBLES SWANSEA LIMITED**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
Financial key performance indicators		
Turnover (£000)	31,564	31,677
Gross profit (£000)	10,821	9,816
Margin	34.29%	30.99%
Operating profit/(loss) (£000)	2,384	(2,187)
Non-financial key performance indicators	No.	No.
Average number of employees	205	218

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

This report was approved by the board on 11 January 2022 and signed on its behalf.



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M C Burrows
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £1,690,000 (2019 - loss £1,904,000).

The Company has paid a dividend of £nil (2019 - £nil) and does not recommend the payment of a final dividend (2019 - £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 of the Company who were in office during the year and up to the date of signing the financial statements were:

M C Burrows
B Padley (resigned 31 March 2021)
G B C Taillandier
G W Thomas
A Caine (appointed 31 March 2021)

Directors' responsibilities statement

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 charged to the Statement of Comprehensive Income during the period which it is incurred.

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 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.

Streamlined Energy and Carbon Reporting (SECR) 2020

Energy Efficiency

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 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.

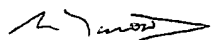
Post balance sheet events

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

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 11 January 2022 and signed on its behalf.



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M C Burrows
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMCOR FLEXIBLES SWANSEA LIMITED

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 2020 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 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 2020; 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMCOR FLEXIBLES SWANSEA LIMITED

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 2020 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, 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 corporation tax, 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 fraudulent transactions designed to overstate profits of the Company. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws, regulations and fraud;
- Identifying and testing journal entries, in particular those having unusual accounts combinations or posted by senior management;
- Challenging management on key accounting estimates and audited these to third party documentation where applicable;
- Obtaining third party confirmations of all the Company's banking facilities and financing arrangements.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMCOR FLEXIBLES SWANSEA LIMITED

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Duncan Stratford', written in a cursive style.

Duncan Stratford (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
11 January 2022

AMCOR FLEXIBLES SWANSEA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	31,564	31,677
Cost of sales		(20,743)	(21,861)
Gross profit		10,821	9,816
Distribution costs		(827)	(712)
Administrative expenses		(7,610)	(11,291)
Operating profit/(loss)	5	2,384	(2,187)
Interest receivable and similar income	9	5	6
Interest payable and similar expenses	10	(74)	(96)
Other Finance Costs	11	(57)	8
Profit/(loss) before tax		2,258	(2,269)
Tax on profit/(loss)	12	(568)	365
Profit/(loss) for the financial year		1,690	(1,904)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit schemes		(855)	(3,067)
Movements of deferred tax relating to pension surplus		162	521
Total other comprehensive expense		(693)	(2,546)
Total comprehensive income/(expense) for the year		997	(4,450)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

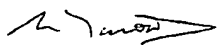
The notes on pages 13 to 32 form part of these financial statements.

AMCOR FLEXIBLES SWANSEA LIMITED
REGISTERED NUMBER: 04039373

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	13,172	12,880
Investments	14	6,546	349
		<u>19,718</u>	<u>13,229</u>
Current assets			
Stocks	15	3,839	3,720
Debtors: amounts falling due within one year	16	4,789	4,492
Cash And Cash Equivalents	17	2,052	2,238
		<u>10,680</u>	<u>10,450</u>
Creditors: amounts falling due within one year	18	(17,531)	(17,988)
Net current liabilities		<u>(6,851)</u>	<u>(7,538)</u>
Total assets less current liabilities		<u>12,867</u>	<u>5,691</u>
Deferred taxation	20	(389)	-
		<u>(389)</u>	<u>-</u>
Post-employment benefits	21	(1,940)	(3,104)
Net assets		<u><u>10,538</u></u>	<u><u>2,587</u></u>
Capital and reserves			
Called up share capital	23	6,899	6,899
Capital redemption reserve	24	6,954	-
Retained earnings	24	(3,315)	(4,312)
Total shareholders' funds		<u><u>10,538</u></u>	<u><u>2,587</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 January 2022.



M C Burrows
 Director

The notes on pages 13 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Capital reduction reserve £000	Retained earnings £000	Total shareholders' funds £000
At 1 January 2019	6,899	-	138	7,037
Comprehensive income for the year				
Loss for the year	-	-	(1,904)	(1,904)
Actuarial losses on pension scheme	-	-	(2,546)	(2,546)
Total comprehensive expense for the year	-	-	(4,450)	(4,450)
At 31 December 2019 and 1 January 2020	6,899	-	(4,312)	2,587
Comprehensive income for the year				
Profit for the year	-	-	1,690	1,690
Actuarial losses on pension scheme	-	-	(693)	(693)
Total comprehensive income for the year	-	-	997	997
Capital contribution	-	6,954	-	6,954
At 31 December 2020	6,899	6,954	(3,315)	10,538

The notes on pages 13 to 32 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 Flows;
- 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 31 December 2020 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis since the directors are satisfied of the intention that Amcor Plc will continue to have access to adequate liquidity and resources for the foreseeable future within its subsidiaries, and the Company. This includes a letter of support to the Company to ensure 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.

The impact that the recent Covid-19 pandemic will have on our operations is uncertain. While the overall impact on our operations to date has not been material and whilst the Group continued to have access to liquidity through the commercial paper market access was temporarily restricted during March 2020 due to the impact from Covid-19 on financial markets. Based on our current and expected cash flow from operating activities and available cash, we believe the Company's cash flows provided by operating activities, together with borrowings available under our credit facilities, will continue to provide sufficient liquidity to fund our operations, capital expenditures and other commitments, including dividends, into the foreseeable future. We have considered the potential impacts of the Covid-19 pandemic in our critical accounting estimates and judgements as of 31 December 2020 and will continue to evaluate the nature and extent of the impact on our business and the consolidated results of the Amcor Group.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

Freehold 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 change has led to the recognition of a curtailment item on the Income Statement for the year ended 31 December 2020 based on market conditions at 30 September 2020.

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 20 of the financial statements.

3.2 Critical judgments in applying the entity's accounting policies

The Company makes judgments 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 16 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 15 for the net carrying amount of the debtors and associated impairment provision.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Critical accounting estimates and judgements - continued**(c) Valuation of investments**

The Company follows the guidance of IAS36 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 20 for further detail.

4. Turnover

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

	2020	2019
	£000	£000
Sale of goods	31,564	31,677
	<u>31,564</u>	<u>31,677</u>

Analysis of turnover by country of destination:

	2020	2019
	£000	£000
United Kingdom	7,042	7,407
Rest of Europe	23,163	23,136
Rest of the world	1,359	1,134
	<u>31,564</u>	<u>31,677</u>

5. Operating profit/(loss)

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

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	1,490	1,431
Exchange differences	(73)	39
Operating lease rentals	40	40
Defined contribution pension cost	418	308
Defined benefit pension cost	(1,572)	1,134
	<u>(1,572)</u>	<u>1,134</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**6. Auditors' remuneration**

	2020	2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	52	49
Other services relating to taxation	-	9
Accounts preparation fee	-	2
	<u>52</u>	<u>60</u>

7. Employees

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

	2020	2019
	£000	£000
Wages and salaries	6,076	6,295
Social security costs	613	565
Cost of defined benefit scheme	(1,572)	1,134
Cost of defined contribution scheme	418	308
	<u>5,535</u>	<u>8,302</u>

The emoluments of the directors which were paid by the company were £119,000 (2019: £nil).

The cost of defined benefit pension scheme includes a credit of £2,172k (2019:nil) relating to a curtailment gain as outlined in note 21.

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

	2020	2019
	No.	No.
Management	5	6
Administration	15	16
Production	185	196
	<u>205</u>	<u>218</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Directors' remuneration

The directors' emoluments were as follows:

	2020 £000	2019 £000
Aggregate remuneration	119	-
	<u>119</u>	<u>-</u>

Post-employment benefits are accruing for 2 directors under the defined contribution scheme. Total employer contributions for 2020 were £6,000 (2019: £nil)

9. Interest receivable

	2020 £000	2019 £000
Other interest receivable	5	6
	<u>5</u>	<u>6</u>

10. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	74	96
	<u>74</u>	<u>96</u>

11. Other finance costs

	2020 £000	2019 £000
Net interest on net defined benefit liability	(57)	8
	<u>(57)</u>	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation

	2020 £000	2019 £000
Corporation tax		
Adjustments in respect of previous periods	(123)	22
Total current tax	<u>(123)</u>	<u>22</u>
Deferred tax		
Origination and reversal of timing differences	543	(431)
Changes to tax rates	1	45
Adjustments in respect of prior years	147	(1)
Total deferred tax	<u>691</u>	<u>(387)</u>
Taxation on profit/(loss)	<u>568</u>	<u>(365)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit/(loss) before taxation	<u>2,258</u>	<u>(2,269)</u>
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	429	(431)
Effects of:		
Expenses not deductible for tax purposes	3	-
Fixed asset differences	37	-
Adjustments to tax charge in respect of prior periods	24	21
Tax rate change	1	45
Group relief	74	-
Total tax charge for the year	<u>568</u>	<u>(365)</u>

The corporation tax payable for the year has been reduced by £74,000 (2019 - NIL) because of group relief claimed from a fellow subsidiary, for which no payment will be made (2019 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax in the UK was reduced from 20% to 19% on 1 April 2017. A further reduction to 17% from 1 April 2020 was legislated by Finance Bill 2016, which was substantively enacted on 6 September 2016. The government announced in the 2020 budget that the reduction in rate change will not occur, however this has not yet been substantively enacted.

In March 2021, an increase in the main rate of corporation tax from 19% to 25% was announced with effect from 1 April 2023. This was substantively enacted on 24 May 2021 so therefore there is no affect to these financial statements.

13. Tangible fixed assets

	Long-term leasehold property £000	Plant and machinery £000	Office equipment £000	Other fixed assets £000	Total £000
Cost or valuation					
At 1 January 2020	4,131	33,996	498	1,559	40,184
Additions	-	-	-	1,782	1,782
Transfers between classes	-	2,647	-	(2,647)	-
At 31 December 2020	4,131	36,643	498	694	41,966
Depreciation					
At 1 January 2020	2,054	24,934	316	-	27,304
Charge for the year on owned assets	141	1,314	35	-	1,490
At 31 December 2020	2,195	26,248	351	-	28,794
Net book value					
At 31 December 2020	1,936	10,395	147	694	13,172
At 31 December 2019	2,077	9,062	182	1,559	12,880

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets (continued)

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

	2020 £000	2019 £000
Long leasehold	1,936	2,077
	<u>1,936</u>	<u>2,077</u>

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	349
Additions	6,197
At 31 December 2020	<u>6,546</u>

On 30th November 2020 as part of a group restructuring exercise Bemis Flexible Packaging Canada Limited became a 100% subsidiary of Amcor Flexibles Swansea Limited. Amcor Flexibles North America 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. The contributed assets are to be held as part of the capital and reserves of Amcor Flexibles Swansea Ltd.

Consequently, there is no value to enter in the financial statements, and the cash contribution has been valued at 31 December 2020, and held separately in the Capital Contribution Reserve.

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 Cugat del Vallès, Barcelona, Spain	Ordinary	100%
Bemis Flexible Packaging Canada Ltd	180 Dundas St. West Suite 1200 Toronto ON M5G 1Z8 Canada	Ordinary	100%

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**15. Stocks**

	2020 £000	2019 £000
Raw materials and consumables	1,635	1,587
Work in progress	1,437	1,304
Finished goods and goods for resale	767	829
	<u>3,839</u>	<u>3,720</u>

Stock recognised in cost of sales during the year as an expense was £12,613,000 (2019: £13,606,000).

An impairment of £140,000 (2019: £138,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors

	2020 £000	2019 £000
Trade debtors	2,327	2,620
Amounts owed by group undertakings	2,008	1,056
Other debtors	270	565
Prepayments and accrued income	184	111
Deferred taxation	-	140
	<u>4,789</u>	<u>4,492</u>

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 £62,000 (2019: £96,000).

17. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	2,052	2,238
	<u>2,052</u>	<u>2,238</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**18. Creditors: Amounts falling due within one year**

	2020 £000	2019 £000
Bank overdrafts	11,238	12,962
Trade creditors	2,902	3,224
Amounts owed to group undertakings	1,934	120
Other taxation and social security	84	109
Other creditors	105	72
Accruals and deferred income	1,268	1,501
	<u>17,531</u>	<u>17,988</u>

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

	2020 £000	2019 £000
Financial assets		
Cash at bank and in hand measured at amortised cost	2,052	2,238
Financial assets measured at amortised cost	4,789	4,352
	<u>6,841</u>	<u>6,590</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(16,179)</u>	<u>(16,378)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Deferred taxation

	2020 £000
At beginning of year	140
Charged to profit or loss	(691)
Charged to other comprehensive income	162
Arising on business combinations	-
Utilised in year	-
At end of year	(389)

The deferred taxation balance is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	(811)	(663)
Short term timing differences	397	567
Losses	26	236
	(388)	140

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 £418,000 (2019: £308,000). The balance of the defined contributions pension scheme at the year end is £82,000 (2019: £71,000).

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 2020. The projected unit method has been used.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Post-employment benefits - continued

	2020 £000	2019 £000
Reconciliation of present value of plan liabilities		
Opening defined benefit obligation	(38,732)	(31,955)
Current service cost	(484)	(595)
Interest cost	(766)	(960)
Administration cost	(116)	-
Actuarial (losses)/gains	(6,298)	(5,764)
Benefits paid	1,024	975
Curtailment gain / (past service cost)	2,172	(423)
	<u>(43,200)</u>	<u>(38,722)</u>

	2020 £000	2019 £000
Reconciliation of fair value of plan assets		
At the beginning of the year	35,628	32,544
Interest income on plan assets	709	-
Interest cost	-	968
Actuarial gains/(losses)	5,443	2,697
Contributions by employers	504	510
Benefits paid	(1,024)	(975)
Expenses	-	(116)
At the end of the year	<u>41,260</u>	<u>35,628</u>

	2020 £000	2019 £000
Composition of plan assets		
Equities	22,496	24,802
Bonds	17,855	10,743
Cash	909	83
Total plan assets	<u>41,260</u>	<u>35,628</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Post-employment benefits - continued

	2020 £000	2019 £000
Fair value of plan assets	41,260	35,628
Present value of plan liabilities	(43,200)	(38,732)
Net pension scheme liability	(1,940)	(3,104)

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

	2020 £000	2019 £000
Current service cost	(484)	(595)
Interest on obligation	(766)	(960)
Curtailed gains	2,172	-
Interest income on plan assets	709	968
Scheme costs	(116)	(116)
Gains on curtailments and settlements	-	(423)
Total	1,515	(1,126)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was a loss of £855,000 (2019 – loss £3,067,000).

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

	2020	2019
	%	%
Discount rate	2.0	2.0
Future salary increases	3.3	3.3
Future pension increases	2.3	2.3
Inflation assumption - CPI	2.3	2.3
Inflation assumption - RPI	2.3	3.3
Post retirement life expectancy (age)		
- for a male aged 65 now	21.4	21.3
- at 65 for a male aged 45 now	22.1	22.4
- for a female aged 65 now	23.4	23.2
- at 65 for a female member aged 45 now	24.3	24.5

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**22. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	20	23
Later than 1 year and not later than 5 years	62	65
	<u>82</u>	<u>88</u>

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
6,899,407 (2019 - 6,899,407) Ordinary shares of £1.00 each	<u>6,899</u>	<u>6,899</u>

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 for no consideration, and the contributed assets are to be held as part of the capital and reserves of Amcor Flexibles Swansea, and are not for the purposes of Amcor Flexibles Swansea's trade.

Profit and loss account

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

25. 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.