

**AMCOR HOLDCO 3**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**COMPANY INFORMATION**

<b>Directors</b>	R Dixon (resigned 15 April 2019) M Watts (resigned 28 September 2018) M Burrows (appointed 28 September 2018) D Clayton (appointed 18 January 2019)
<b>Registered number</b>	06386659
<b>Registered office</b>	83 Tower Road North Warmley Bristol BS30 8XP

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2019****Business review and future developments**

The Company's principal business is that of a private unlimited company with shares, and acts as an intermediate holding company for investments in subsidiary undertakings.

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

During the year the Company saw income from shares in group undertakings increase to \$48,830,000 (2018 \$Nil). This saw Profit before tax increase to \$40,487,000 (2018 \$79,000) with shareholder funds up at \$35,189,000 (2018 \$28,336,000) as the company monitors its financial health as an intermediate holding company.

As a member of the Amcor Group the Company has maintained a consistent strategy and business model. Investments are primarily focussed on the Asian businesses of the Group and maintaining the necessary support across all business activity.

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

**Principal risks and uncertainties**

The Company manages the risks and uncertainties as an integral member of the Amcor Group of Companies and can be impacted by numerous factors across its group undertakings:

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

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

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

**Financial risk management**

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

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

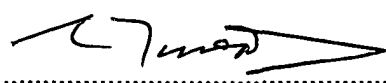
Due to the non-complex nature of the Company's activities, its exposure to financial risks is limited. In addition, the directors of the group manage the group's risk at a group level, rather than at an individual entity level. For this reason, the Company's directors believe that a discussion of the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

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

**Financial and non-financial key performance indicators**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Financial key performance indicators		
<b>Profit before Taxation</b>	<b>40,487</b>	<b>79</b>
Non-financial key performance indicators		
	<b>Percentage</b>	<b>Percentage</b>
Return on shares in group undertakings	<b>89.7%</b>	<b>Nil</b>

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



.....  
**M Burrows**  
 Director

Date: 18 June 2020

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

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

**Results and dividends**

The profit for the year, after taxation, amounted to \$35,604,000 (2018 - \$79,000).

The Company paid a dividend of \$43,947,213 on 12 November 2018 (2018 - \$NIL). No further dividends are proposed/recommended by the directors.

During 2019 the company partially impaired its investment in PT Amcor Flexibles Indonesia, Tangerang by \$8,224,442. The recoverable amount of the investment has been assessed using its the fair value less costs to sell. The impairment calculations applied an earnings multiple for the sector, adjusted for the specific investment, to the EBITDA of the subsidiary company.

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

Also during 2019, the company subscribed, in cash, 39,996,000 \$1 Indonesian Rupiah shares in the capital of its majority owned subsidiary, PT Amcor Flexibles Indonesia, as part of a restructuring exercise

**Directors**

The directors who served during the year were:

R Dixon (resigned 15 April 2019)  
M Watts (resigned 28 September 2018)  
M Burrows (appointed 28 September 2018)  
D Clayton (appointed 18 January 2019)

**Directors' responsibilities statement**

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Disclosure of information to auditors**

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

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

**Future developments and financial risk management**

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

**Subsequent events**

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

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

**Independent auditors**

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

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



.....  
**M Burrows**  
Director

Date: 18 June 2020

# ***Independent auditors' report to the members of Amcor Holdco 3***

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

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### **Opinion**

In our opinion, Amcor Holdco 3's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

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

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

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### **Reporting on other information**

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

### *Use of this report*

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

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$000	2018 \$000
Income from shares in group undertakings		48,830	-
Other interest receivable and similar income	5	110	79
Amounts written off investments		(8,224)	-
Interest payable and similar expenses	6	(229)	-
<b>Profit before tax</b>		<b>40,487</b>	<b>79</b>
Tax on profit	7	(4,883)	-
<b>Profit for the financial year</b>		<b>35,604</b>	<b>79</b>
<b>Total comprehensive income for the year</b>		<b>35,604</b>	<b>79</b>

The notes on pages 11 to 20 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$000	2018 \$000
<b>Fixed assets</b>			
Investments	8	54,458	22,686
		<u>54,458</u>	<u>22,686</u>
<b>Current assets</b>			
Debtors	9	59	5,650
		<u>59</u>	<u>5,650</u>
Creditors: amounts falling due within one year	10	(19,328)	-
		<u>(19,328)</u>	<u>-</u>
<b>Net current (liabilities)/assets</b>		<b>(19,269)</b>	<b>5,650</b>
<b>Total assets less current liabilities</b>		<b>35,189</b>	<b>28,336</b>
<b>Net assets</b>		<b>35,189</b>	<b>28,336</b>
<b>Capital and reserves</b>			
Called up share capital	12	15,197	1
Retained earnings		19,992	28,335
		<u>35,189</u>	<u>28,336</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....  
**M Burrows**  
Director  
Date: 18 June 2020

The notes on pages 11 to 20 form part of these financial statements.

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

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 July 2018	1	28,335	28,336
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	35,604	35,604
Dividends: Equity capital	-	(43,947)	(43,947)
Shares issued during the year	15,196	-	15,196
<b>At 30 June 2019</b>	<b>15,197</b>	<b>19,992</b>	<b>35,189</b>

**30 JUNE 2018**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 1 July 2017	1	28,256	28,257
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	79	79
<b>At 30 June 2018</b>	<b>1</b>	<b>28,335</b>	<b>28,336</b>

The notes on pages 11 to 20 form part of these financial statements.

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

### 1. General information

Amcors Holdco 3 is an unlimited company incorporated in the United Kingdom. The address of the registered office is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

The Company acts as an intermediate holding company for investments in group companies.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

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

The principal accounting policies applied in the preparation of the financial statements are set out below. These have been consistently applied to all the years presented unless otherwise stated.

#### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019****2. Accounting policies (continued)****2.3 New standards and interpretations, and interpretations not yet applied**

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

There were a number of other amendments to existing standards and interpretations that were effective for the current period, but none of these has a material impact on the Company. Included within these are IFRS 15 'Revenue from contracts with customers', and IFRS 16 'Leases', as the company does not hold any lease assets.

**2.4 Going concern**

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

**2.5 Valuation of investments**

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

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

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance.

**2.7 Financial instruments**

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

**Financial assets**

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

**Loans and receivables**

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

Impairment provisions are recognised when there is objective evidence (such as significant financial

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

**2. Accounting policies (continued)**

**2.7 Financial instruments (continued)**

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

**Financial liabilities**

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

**At amortised cost**

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

**2.8 Creditors**

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

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

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is US dollars.

**Transactions and balances**

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

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

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

The local currency of the Company is determined to be USD and the exchange rate at the year end date was \$1 = £0.7728 (2018 - £0.7651).

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

**2. Accounting policies (continued)**

**2.10 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.

**2.11 Dividends**

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

**2.12 Interest income**

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

**2.13 Taxation**

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

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

**3. Critical accounting estimates and judgments**

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

**1. Critical accounting estimates and assumptions**

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

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

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

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

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

**4. Profit before tax to operating profit**

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

During the current and prior year there were no employees.

Auditors' remuneration of \$7,342 (2018 - \$7,200) in respect of the audit of the Company was borne by a fellow subsidiary in both the current and prior year and has not been recharged to the Company.

**5. Interest receivable and similar income**

	<b>2019 \$000</b>	2018 \$000
Interest receivable from group companies	<b>110</b>	79
	<u><b>110</b></u>	<u>79</u>

**6. Interest payable and similar expenses**

	<b>2019 \$000</b>	2018 \$000
Loans from group undertakings	<b>229</b>	-
	<u><b>229</b></u>	<u>-</u>

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

**7. Tax on profit**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Foreign tax</b>		
Foreign tax on income for the year	<b>4,883</b>	-
	<b>4,883</b>	-
<b>Total current tax</b>	<b>4,883</b>	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Tax on profit</b>	<b>4,883</b>	-

**Factors affecting tax charge for the year**

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

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Profit before taxation	<b>40,487</b>	79
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	<b>7,693</b>	15
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>(9,278)</b>	-
Non-taxable income	<b>1,563</b>	-
Foreign tax on overseas dividends	<b>4,883</b>	-
Group relief	<b>22</b>	(15)
<b>Total tax charge for the year</b>	<b>4,883</b>	-

The corporation tax payable for the year has been reduced by \$22,000 (2018: decreased by \$15,000) because of group relief surrendered by a fellow subsidiary for which no payment will be made (2018: \$Nil).

**Factors that may affect future tax charges**

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

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

**8. Investments**

	<b>Investments in subsidiary companies \$000</b>
<b>Cost or valuation</b>	
At 1 July 2018	<b>31,088</b>
Additions	<b>39,996</b>
At 30 June 2019	<b>71,084</b>
<b>Impairment</b>	
At 1 July 2018	<b>8,402</b>
Charge for the period	<b>8,224</b>
At 30 June 2019	<b>16,626</b>
<b>Net book value</b>	
At 30 June 2019	<b>54,458</b>
At 30 June 2018	<b>22,686</b>

During 2019, the company subscribed, in cash, 39,996,000 \$1 Indonesian Rupiah shares in the capital of its majority owned subsidiary, PT Amcor Flexibles Indonesia, as part of a group reorganisation.

The company had previously impaired fully its investment in PT Amcor Flexibles Indonesia by \$8,402,000 during 2016. The Company assesses the recoverable amount of all the investments using its the fair value less costs to sell. The impairment calculations applied an earnings multiple for the sector, adjusted for the specific investment of PT Amcor Flexibles Indonesia, to the EBITDA necessitated a further impairment during 2019 of \$8,224,000.

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

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Amcor Flexibles Bangkok Public Company Limited	Ordinary	46 %	Packaging
Amcor Subtanee Holding Company Limited	Ordinary	49 %	Packaging
PT Amcor Flexibles Indonesia	Ordinary	99 %	Packaging

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

**8. Investments (continued)**

Amcor Speciality  
Cartons Rizal Corp.      Ordinary              100 %    Packaging

The registered office of Amcor Flexibles Bangkok Public Company Limited and Amcor Subtanee Holding Company Limited is 91 Moo 13, Kingkaew Road, Rachadhewa, Bangplee, Samutprakarn, 10540, Thailand.

The registered office of PT Amcor Flexibles Indonesia is Jalan Gatot Subroto KM. 5.4 Jatiuwung, Cibodas, Tangerang, Banten, 15134, Indonesia.

The registered office of Amcor Speciality Cartons Rizal Corp. is KM 22 Ortigas Avenue Extension, Bo. Mapandan, Cainta Rizal, Philippines.

**Indirect Associate undertakings**

The following were indirect associate undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Enter subsidiary 1	Common	40 %	Real estate
Amcor Flexibles Phetchaburi Company Limited	Common	49 %	Packaging
Amcor Flexibles Chonburi Company Limited	Common	46 %	Packaging

The registered office of SPC Reality Corporation is KM 22 Ortigas Avenue Extension, Bo. Mapandan, Cainta Rizal, Philippines.

The registered office of Amcor Flexibles Phetchaburi Company Limited and Amcor Flexibles Chonburi Company Limited is 91 Moo 13, Kingkaew Road, Rachadhewa, Bangplee, Samutprakarn 10540, Thailand.

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

**9. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>59</b>	5,650
	<u><b>59</b></u>	<u>5,650</u>
	<u><b>59</b></u>	<u>5,650</u>

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

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

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

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed to group undertakings	<b>19,328</b>	-
	<u><b>19,328</b></u>	<u>-</u>
	<u><b>19,328</b></u>	<u>-</u>

**11. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>59</b>	5,650
	<u><b>59</b></u>	<u>5,650</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(19,328)</b>	-
	<u><b>(19,328)</b></u>	<u>-</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings

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

**12. Called up share capital**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Allotted, called up and fully paid</b>		
15,197,000 (2018 - 1,000) ordinary shares of \$1.00 each	<b>15,197</b>	<b>1</b>

On 17 April 2019 the Company issued 15,196,000 ordinary shares of \$1 as part of a group restructuring exercise.

**13. Ultimate Payment Undertaking and Controlling Party**

The immediate parent undertaking is Amcor Investments Proprietary Limited registered in Australia. The immediate parent undertaking changed from Amcor Packaging Investments USA Inc., registered in the United States on 9 May 2018.

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