

Registered number: 00409295

**AMCOR PACKAGING UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2023**

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**AMCOR PACKAGING UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	M Suitor D Clayton M Carter M Burrows
<b>Registered number</b>	00409295
<b>Registered office</b>	83 Tower Road North Warmley Bristol BS30 8XP

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**Business review and future developments**

The principal activity of the Company is the design, manufacture and printing of flexible packaging.

The business has safety as a core value and central to our culture. However, there is always scope to improve and the Company continues to review its procedures and implement improvements to reduce the risk of workplace accidents in the future.

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 weight, recyclable and/or reusable, and with greater recycled content.

During the year, the company experienced a slight uplift in turnover and gross margin driven by price/mix benefits offset by lower volumes. A consultation with employees on the short-run activity of the Company concluded in September 2022, with the outcome that the corresponding production volumes would be transferred to other Amcor UK plants to allow the Company to be better positioned to serve customers and succeed in the long-term. One-off reorganisation costs incurred in relation to this partial reorganisation impacted operating margin for the year, resulting in an operating loss of £10,812,000 (2022: loss £1,568,000). Net assets at 30 June 2023 were £101,181,000 (2022: £111,580,000).

The Company approaches the 2024 financial year with clear priorities: support the Group in keeping co-workers safe; offer value to customers; and execute effectively in areas under our control. Following the partial reorganisation of the short-run activity of the Company's business, it is anticipated that profitability will improve in future. However, actual results could differ materially due to a number of risks and uncertainties.

**Principal risks and uncertainties**

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

- 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, including the Russia-Ukraine conflict and inflation;
- Costs and liabilities related to current and future environmental and health and safety laws and regulations, including climate change;
- Price fluctuations or availability of raw materials, energy and other inputs could adversely impact the business;
- Production, supply and other commercial risks which may be exacerbated during times of economic slowdown;
- A failure or disruption in our information technology systems could disrupt our operations, compromise customer, employee, supplier, and other data and could negatively affect our business; and
- Potential future outbreaks of contagious diseases could cause disruption across the supply chain and impact the wider macroeconomic environment.

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

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

### **Financial risk management**

The Company's principal financial assets are bank balances, trade receivables and amounts due from group undertakings. 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.

The Company manages its credit risk in relation to trade debtors by spreading exposure over a large number of customers, and by holding credit insurance if it is felt necessary.

The majority of the Company's business is focussed on the UK, but the Company also has overseas business, and as a result is exposed to movements in exchange rates. The currency risk is managed by entering into forward contracts for key foreign currencies, which fix a significant proportion of these exposures, thereby giving certainty over a substantial part of the company's income stream and costs. The value of forward contracts is immaterial in the financial statements of Amcor Packaging UK Limited. 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.

### **Directors' 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 statement, explains how the Company's directors:

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

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

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

### **Long term sustainability**

The Company supports the financing requirements across the group in a responsible and balanced approach in order to enable the longer term viability of the Company and wider interests of the group. Key decisions and representations provided by Group to the Company's Board of Directors are considered and executed on a timely basis consistent with group strategy. Dividends are declared and paid after due consideration of the current profitability and adequacy of retained earnings to meet future funding requirements and the overall financial health of the Company.

### **Employees**

The Directors recognise that continued success is dependent on the ability to identify, attract, motivate, train and retain qualified personnel in key functions and geographical areas encompassed as the "Amcor Way". The Company is focussed on being a responsible employer, from pay and benefits to our health, safety and

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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. Each work location in the UK has elected employee representatives who are informed and consulted on matters which affect those whom they represent, including the consultation during the year regarding the partial reorganisation of the short-run activity of the Company. Where necessary conditions are met, the Company recognises Trade Unions for the same purposes and for collective bargaining to determine terms and conditions of employment. The Directors also recognise that pensioners, though no longer employees, also remain important stakeholders.

### **Suppliers, customers and others**

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

### **Community and environment**

The Directors seek to minimise any detrimental impact the Company's operations may have had on the environment through continued review of work practices, safety, product sustainability and energy efficiency. The Company also supports a range of charitable and community activity locally based on employee involvement. The Company as a member of the Amcor group of companies has pledged to develop all the packaging to be recyclable or reusable by 2025. We have identified a clear path to meeting our sustainability ambitions and those of our customers by focusing on the three elements of responsible packaging: product innovation, consumer participation and infrastructure development.

### **Business conduct**

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

### **Acting fairly across key stakeholders of the Company**

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

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

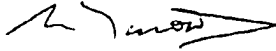
	<b>2023</b>	<b>2022</b>
<b>Financial key performance indicators</b>		
Turnover (£000)	<b>128,519</b>	<i>127,410</i>
Gross profit (£000)	<b>12,304</b>	<i>10,542</i>
Margin (%)	<b>9.57%</b>	<i>8.27%</i>
Operating loss (£000)	<b>(10,812)</b>	<i>(1,568)</i>
<b>Non-financial key performance indicators</b>	<b>No.</b>	<b>No.</b>
Average number of employees	<b>288</b>	<i>344</i>
Number of workplace accidents requiring medical treatment:		
- with loss of production time	-	-
- loss time injury frequency rate	-	-
- with no loss of production time	<b>1</b>	<i>1</i>
- recordable case time frequency rate	<b>1.7</b>	<i>1.5</i>

Safety has long been a core value for the Amcor group, with the Company learning from incidents during the

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023**

year in a continued effort towards our ultimate goal of an injury-free workplace across the group.

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



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

Date: 25 March 2024

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the audited financial statements for the year ended 30 June 2023.

**Results and dividends**

The loss for the year, after taxation, amounted to £8,888,000 (2022: loss £1,576,000).

The Company did not pay a dividend during the year (2022: £NIL). No final dividend is being proposed by the Directors.

**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 Suitor  
D Clayton  
M Carter  
M Burrows

**Statement of Directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant 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.



**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Research and development activities**

Research and development costs incurred during the year amounted to £850,000 (2022: £771,000). In accordance with the accounting policy described in note 2 to the financial statements, all costs have been included in the Statement of Comprehensive Income for the year.

**Employee involvement**

Employees are regularly provided with information concerning the performance and prospects of the business in which they are involved, through employee forums, briefing groups, notice boards and staff publications. Views of employees are sought through management consultation and each work location in the UK has elected employee representatives who are informed and consulted on matters which affect those whom they represent. These processes allow the views of personnel to be taken into account. Similarly issues relevant to the pension scheme are covered by means of selected representatives.

**Disabled employees**

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

**Streamlined Energy and Carbon Reporting (SECR)**

The Company meets the qualifying criteria of SECR due to being a "Large Company" as defined under the Companies Act 2006. The Company has reported energy consumption for 100% of its operation during the financial year, including transport data, as required. This assessment is produced in line with 'UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' ("Environmental Reporting Guidelines"). The methodology used is the GHG Protocol Corporate Standard for quantification and reporting of greenhouse gas (GHG) emissions and removals.

**Inclusions**

GHG emissions have been calculated for mandatory Scopes 1 and 2 in line with Environmental Reporting Guidelines:

- Scope 1 – direct combustible fuels
  - Emissions from combustion of gas or oil
  - Emissions from combustion of fuel for transport purposes
- Scope 2 – indirect combustible fuels
  - Emissions from purchased electricity

**Exclusions**

The following source emissions have not been reported, in line with Environmental Reporting Guidelines, as they are optional to report and outside of the company's financial control. The Company may report on these emission sources in future, to allow better understanding its wider environmental impact.

- Scope 1 – direct combustible fuels and fugitive emissions
  - Refrigerants used at company premises are currently considered impractical to measure and therefore excluded. The Company aims to explore the practicalities of gathering accurate data on this in the future.
- Scope 3 – other indirect emissions
  - Indirect emissions associated with the consequences of the activities of the organisation but controlled by another entity outside of the corporate structure.

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023

Summary of absolute energy consumption	2023	2022	% change
Total energy consumption (MWh)	30,318	37,748	-19.7%
Summary of absolute greenhouse gas emissions	2023	2022	% change
Scope 1: Emissions from combustion of gas or oil	2,366	3,287	-28.0%
Scope 2: Emissions from purchased electricity	3,371	4,205	-19.8%
Total greenhouse gas emissions (tCO <sub>2</sub> e)	5,737	7,492	-23.4%

**Carbon intensity ratio**

A carbon intensity ratio has been established to assess the normalised carbon performance of operations based on the company financial performance.

The establishment of a carbon ratio allows the Company to make more accurate comparisons of their carbon impact between financial years. Facility emissions are related to production volume and hence tonnes CO<sub>2</sub>e per £million sales revenue has been determined to be the most appropriate indicator of carbon performance across the Company's sites. Transport emissions are excluded from this calculation.

Summary of carbon intensity ratio	2023	2022	% change
Carbon intensity ratio (tCO <sub>2</sub> e per £million revenue)	44.6	58.8	-24.1%

The carbon intensity ratio has decreased as a result of the Company's continued progress in energy management and the energy efficiency measures undertaken.

**Energy management and energy efficiency measures undertaken**

Within the Amcor Group of Companies across Europe materials account for some 87% of carbon footprint as detailed in Amcor's Global Sustainability report which can be downloaded at [www.amcor.com/sustainability](http://www.amcor.com/sustainability). As such our focus has been on reducing the carbon footprint of our materials, in Amcor's products operations by working towards ever more efficient processes. Amcor continuously works to reduce waste and produce more efficiently.

Amcor Group's vision for improving energy efficiency began in 2006 and we have worked hard on many projects since. We have a list of projects per site arising from ESOS phase 2 audits and internal assessments by our Energy Team and other sources.

Amcor Group has developed a set of Energy Excellence Basics in Europe to reinforce control of our processes and have conducted refresher training during the year. These Basics are shared to Amcor sites globally. Amcor Group works to improve efficiency by controlling compressed air leaks, boiler settings, insulation of pipes, set points of hot and cold fluids and spaces and other forms of energy efficiency relating to our processes.

Amcor Group maintains a monthly assessment of energy usage against production for each site with a list of energy saving opportunities and related benefits. The tool used tracks energy to ISO50001 requirements even though the sites do not have this accreditation.

During the year to 30 June 2023 the Company implemented energy efficiency projects at both sites. Including:

- Air leakage surveys;
- LED replacement lighting installed in production and office areas;
- LEL optimisation to lower gas usage; and
- Energy campaign to raise awareness of energy usage.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Matters covered in the Strategic report**

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

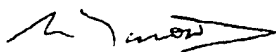
**Subsequent events**

The Company has conducted an assessment of any other events after the balance sheet date and concluded that no other events have occurred which materially affect the entity requiring disclosure or adjustment to the financial statements.

**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: 25 March 2024

# Independent auditors' report to the members of Amcor Packaging UK Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Amcor Packaging UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 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 2023; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Reporting on other information**

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

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

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

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

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

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

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation, 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 UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to overstate revenue or improve the reported results and the potential for management bias in accounting estimates. Audit procedures performed by the engagement team included:

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

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](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.

## **Other required reporting**

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

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

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

We have no exceptions to report arising from this responsibility.



Stuart Couch (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
25 March 2024

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

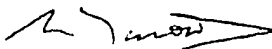
	<b>Note</b>	<b>2023 £000</b>	<b>2022 £000</b>
Turnover	4	128,519	127,410
Cost of sales		(116,215)	(116,868)
<b>Gross profit</b>		<b>12,304</b>	<b>10,542</b>
Distribution costs		(2,044)	(1,972)
Administrative expenses		(21,320)	(10,365)
Other operating income	5	248	227
<b>Operating loss</b>	6	<b>(10,812)</b>	<b>(1,568)</b>
Income from shares in group undertakings		9,526	-
Amounts written off investments	16	(9,526)	-
Interest receivable and similar income	10	1,525	169
Interest payable and similar expenses	11	(646)	(396)
Other finance income	12	900	600
<b>Loss before tax</b>		<b>(9,033)</b>	<b>(1,195)</b>
Tax on loss	13	145	(381)
<b>Loss for the financial year</b>		<b>(8,888)</b>	<b>(1,576)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial loss on defined benefit pension scheme		(1,740)	(6,660)
Deferred tax credit regarding pension scheme		435	1,665
Movements in cashflow hedge		(275)	286
Deferred tax regarding cashflow hedge		69	(102)
<b>Total other comprehensive expense</b>		<b>(1,511)</b>	<b>(4,811)</b>
<b>Total comprehensive expense for the year</b>		<b>(10,399)</b>	<b>(6,387)</b>

The notes on pages 16 to 45 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
<b>Fixed assets</b>					
Intangible assets	14		5,585		3,455
Tangible assets	15		11,055		15,009
Investments	16		8,000		17,526
			<u>24,640</u>		<u>35,990</u>
<b>Current assets</b>					
Stocks	17	15,974		22,208	
Debtors	18	76,504		78,299	
Pension asset	26	22,600		23,000	
Cash at bank and in hand	19	16,028		22,577	
		<u>131,106</u>		<u>146,084</u>	
Creditors: amounts falling due within one year	20	(39,848)		(46,096)	
<b>Net current assets</b>			<u>91,258</u>		<u>99,988</u>
<b>Total assets less current liabilities</b>			<u>115,898</u>		<u>135,978</u>
Creditors: amounts falling due after more than one year	21		(12,167)		(22,618)
<b>Provisions for liabilities</b>					
Deferred taxation	23	(1,131)		(1,780)	
Other provisions	24	(1,419)		-	
			<u>(2,550)</u>		<u>(1,780)</u>
<b>Net assets</b>			<u>101,181</u>		<u>111,580</u>
<b>Capital and reserves</b>					
Called up share capital	28		69,751		69,751
Share premium account	29		10,328		10,328
Other reserves	29		(13)		193
Retained earnings	29		21,115		31,308
<b>Total shareholders' funds</b>			<u>101,181</u>		<u>111,580</u>

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



.....  
**M Burrows**

Director

Date: 25 March 2024

The notes on pages 16 to 45 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total shareholders' funds £000
At 1 July 2021	69,751	10,328	(21)	37,909	117,967
Loss for the financial year	-	-	-	(1,576)	(1,576)
Actuarial losses on pension scheme	-	-	-	(6,660)	(6,660)
Deferred tax regarding pension scheme	-	-	-	1,665	1,665
Movements in cash flow hedge	-	-	286	-	286
Deferred tax regarding cash flow hedge	-	-	(72)	(30)	(102)
<b>Total other comprehensive expense for the financial year</b>	-	-	214	(5,025)	(4,811)
<b>Total comprehensive expense for the year</b>	-	-	214	(6,601)	(6,387)
At 1 July 2022	69,751	10,328	193	31,308	111,580
Loss for the financial year	-	-	-	(8,888)	(8,888)
Actuarial losses on pension scheme	-	-	-	(1,740)	(1,740)
Deferred tax regarding pension scheme	-	-	-	435	435
Movements in cash flow hedge	-	-	(275)	-	(275)
Deferred tax regarding cash flow hedge	-	-	69	-	69
<b>Total other comprehensive expense for the financial year</b>	-	-	(206)	(1,305)	(1,511)
<b>Total comprehensive expense for the financial year</b>	-	-	(206)	(10,193)	(10,399)
<b>At 30 June 2023</b>	<b>69,751</b>	<b>10,328</b>	<b>(13)</b>	<b>21,115</b>	<b>101,181</b>

The notes on pages 16 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**1. General information**

Amcor Packaging UK Limited is a private company limited by shares and incorporated in England & Wales, UK. The address of the registered office is 83 Tower Road North, Warmley, Bristol, BS30 8XP, UK.

The Company's principal business is the design, manufacture and printing of flexible packaging materials.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention 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 consolidated financial statements as it is a wholly owned subsidiary of Amcor plc.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Amcor plc as at 30 June 2023 and these financial statements may be obtained from the group's website at  
Page 16

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. Accounting policies (continued)****2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)**

[www.amcor.com/investors](http://www.amcor.com/investors).

**2.3 New standards and interpretations, and interpretations not yet applied**

The Company did not adopt any new standards or interpretations during the financial year.

**2.4 Going concern**

The financial statements have been prepared on a going concern basis. In reaching this assessment the Directors have considered a variety of information related to present and future projections of profitability, cash flows and capital resources and are satisfied that the Company's financial obligations can be met as they fall due for a period of at least 12 months from the date of signing these financial statements.

The information the Directors have considered includes the current economic climate in light of the continuing Russia-Ukraine conflict and rising interest rates, together with current and expected cashflow from operating activities and available cash. The Company Directors believe the cashflow, together with borrowings available under group credit and bank facilities, will continue to provide sufficient liquidity to fund operations, capital expenditure and other commitments into the foreseeable future. The Directors also received a letter of support from Amcor plc indicating the intention that the ultimate parent company would provide resources as necessary for the Company to meet its financial obligations as they fall due.

**2.5 Turnover**

Turnover recognition under IFRS 15 is a control based model when control of an asset (goods or services) passes relative to the nature, amount, timing and uncertainty of revenue and cash flow. The criteria, based on a 5-step approach, for determining whether control is transferred set out within the standard are as follows:

- 1 Identify the contract with a customer
- 2 Identify the performance obligations in the contract
- 3 Determine the transaction price
- 4 Allocate the transaction price to the performance obligation in the contract
- 5 Recognise revenue when the Company satisfies a performance obligation

The Company recognises revenue relating to other contracts and transactions when the significant risks and rewards of ownership transfer to the customer. Revenue is stated net of discounts, rebates, credits, price concessions, performance bonuses and similar incentives, value added tax and other sales taxes. Goods and services are provided under contracts with the customer that are substantially the same with the transfer with control passing at a point in time and recognised in accordance with:

- The Company having a present right to payment for the asset;
- The customer has legal title to the asset;
- The Company having transferred physical possession of the asset;
- The customer has significant risks and rewards related to the ownership of the asset; and
- The customer has accepted the asset.

Variable consideration is included in the transaction price at the company's best estimate, and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. Accounting policies (continued)****2.6 Intangible assets and goodwill**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets relate to computer software and are amortised over their estimated useful economic lives of between five and eight years on a straight line basis.

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. The useful economic life of the goodwill is considered to be infinite and therefore no annual amortisation of the goodwill based on its useful economic life is carried out. An annual impairment review is performed and the carrying value written down, if appropriate, in accordance with the results of the review.

**2.7 Tangible 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.

Depreciation is provided on the following basis:

Freehold property	- between 2% and 10% per annum
Plant and machinery	- between 2.9% and 33.3% per annum

Freehold land is not depreciated.

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).

**Right-of-use assets and lease liabilities**

The Company is a party to lease contracts for, among others:

- a) buildings:
  - manufacturing; and
  - warehouses
- b) plant and machinery;
- c) computer equipment; and
- d) motor vehicles.

Leases are recognised, measured and presented in line with IFRS 16 'Leases'. The Company has elected to apply exemptions available within IFRS 16 for short-term leases and leases for which the underlying asset is of low value. Lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. Accounting policies (continued)****2.7 Tangible assets (continued)****Accounting by the lessee****Recognition and measurement of right-of-use asset**

The Company recognises a right-of-use asset and corresponding lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is provided on the following basis:

Buildings	between 3.7-13.9% per annum
Plant and machinery	between 8.5-24.5% per annum
Motor vehicles	25% per annum

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

**Accounting by the lessor**

In line with IFRS 16, lease contracts in which the Company is acting as a lessor, are classified as either operating or finance leases. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee. During the current and prior years, the Company has no lease contracts, as lessor, classified as finance leases. For operating leases as lessor, the Company recognises lease payments as income on a straight-line basis.

**2.8 Lease liabilities**

Upon initiation, if a contract conveys the right to control the use of an identified asset for a certain period of time in exchange for consideration, then it is, or contains, a lease. The right to control the use of an identifiable asset is assessed by the Company based upon whether the Company has the right to obtain substantially all economic benefits from the use of the asset and if the Company has the right to steer the use of the asset.

The Company recognises a lease liability at the contract commencement date for all relevant leases, excluding exempt short-term and low value leases, as described in note 2.7.

The lease liability is initially measured at the present value of future lease payments, including:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. Accounting policies (continued)****2.8 Lease liabilities (continued)**

- or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors such as e.g. sale volume in the point of sale leased. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the Statement of Comprehensive Income.

The lease payments are discounted using the Company's incremental borrowing rate or the rate implicit in the lease contract.

The lease term determined by the Company comprises:

- non-cancellable period of lease contracts,
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option,
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The lease liabilities are subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

**2.9 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 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.

**2.10 Stocks**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**2. Accounting policies (continued)****2.11 Debtors**

Accounts Receivable and short term debtors are measured initially at fair value and subsequently at amortised cost using the effective interest method less any impairment.

The Company assesses on a forward looking basis the expected credit losses ('ECL') associated with its financial assets. The Company measures impairment allowances either using the general or simplified method as considered appropriate.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL. The Company applies the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

At 30 June 2023 no debtor balance has been assessed under the general approach. Under the general approach, impairment allowances are measured at an amount equal to 12-month ECL except when there has been a significant increase in credit risk since inception. In such cases the Company measures impairment allowance at an amount equal to credit loss expected over the life of the financial asset.

**2.12 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.

**2.13 Financial instruments**

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

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

**Fair value through profit or loss**

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

**Debt instruments at amortised cost**

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

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**2. Accounting policies (continued)****2.13 Financial instruments (continued)**

income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

**Financial liabilities****Fair value through profit or loss**

Financial liabilities are classified as at fair value through the Statement of Comprehensive Income, when the financial liability is held for trading, or is designated at fair value through the Statement of Comprehensive Income. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through the Statement of Comprehensive Income. Any gains or losses arising on changes in fair value are recognised in the Statement of Comprehensive Income to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

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

**2.14 Trade and other payables**

These amounts represent unsecured liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**2. Accounting policies (continued)**

**2.15 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.

**2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023****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 Income statement 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 asset or liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in GBP 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 IFRS 13 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

When the fair value of plan assets exceeds the defined benefit obligation, the net surplus is recognised in the statement of financial position within current assets. The surplus is measured at the lower of the defined benefit plan net surplus and the asset ceiling, in line with IAS 19.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income or 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 income or cost is recognised in the Statement of Comprehensive Income as Other finance income or expense.

**2.18 Interest income**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023****2. Accounting policies (continued)****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 the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023****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) Impairment of assets**

At each reporting date, in line with IAS 36, IFRS 9 and IAS 2, the company performs an assessment of whether any assets may be impaired, including intangible and tangible fixed assets, investments, stocks and debtors. If there are any indicators that the carrying value of these assets may exceed their recoverable amount, the company estimates the recoverable amount of the asset and, if necessary, the carrying amount is reduced with a corresponding charge recognised in the Statement of Comprehensive Income.

**(b) 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 surplus/deficit on the balance sheet. The assumptions reflect historical experience and current trends.

**(c) Right of use lease liability inherent interest rate**

When the Company cannot readily determine the interest rate implicit in the lease, it uses Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available. The Company estimates the IBR by using market interest rates and adjusting with entity specific estimates such as currency and country risk.

**3.2 Critical judgments in applying the entity's accounting policies**

The Company makes judgements concerning the future in applying the Company's accounting policies. Management does not believe there are any critical judgements which could cause significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**4. Turnover**

The whole of the turnover is attributable to flexible packaging products.

Analysis of turnover by country of destination:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>100,562</b>	<b>100,128</b>
Rest of Europe	<b>26,722</b>	<b>26,227</b>
Rest of the world	<b>1,235</b>	<b>1,055</b>
	<b>128,519</b>	<b>127,410</b>

Timing of revenue recognition:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Goods and services transferred at a point in time	<b>128,519</b>	<b>127,410</b>
	<b>128,519</b>	<b>127,410</b>

**5. Other operating income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Net rents receivable	<b>248</b>	<b>227</b>

**6. Operating loss**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	<b>850</b>	<b>771</b>
Operating lease rentals - plant and machinery	<b>560</b>	<b>829</b>
Operating lease rentals - other	<b>109</b>	<b>105</b>
Depreciation of tangible fixed assets	<b>2,144</b>	<b>2,318</b>
Impairment of tangible fixed assets	<b>1,474</b>	<b>-</b>
Amortisation of intangible assets	<b>14</b>	<b>18</b>
Exchange differences	<b>392</b>	<b>68</b>
Reorganisation costs	<b>8,247</b>	<b>-</b>
Group personal pension plan cost	<b>954</b>	<b>145</b>
Cost of stocks recognised as an expense	<b>113,447</b>	<b>114,270</b>
Impairments in stock	<b>697</b>	<b>270</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**6. Operating loss (continued)**

During the year a consultation with employees regarding the short-run activity of the company concluded with the outcome that the corresponding production volumes would transfer to other Amcor UK plants. As a result, certain items of tangible fixed assets were impaired to net realisable value. Reorganisation costs were incurred, comprising decommissioning and removal of plant and machinery, staff training and other staff reorganisation costs.

**7. Auditors' remuneration**

	<b>2023</b>	2022
	<b>£000</b>	£000
Fees payable for the audit of the Company's financial statements	<b>240</b>	118

**8. Employees**

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

	<b>2023</b>	2022
	<b>£000</b>	£000
Wages and salaries	<b>12,934</b>	15,379
Social security costs	<b>1,736</b>	1,952
Pension costs	<b>954</b>	145
	<u><b>15,624</b></u>	<u>17,476</u>

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

	<b>2023</b>	2022
	<b>No.</b>	No.
Administrative	<b>28</b>	32
Production	<b>260</b>	312
	<u><b>288</b></u>	<u>344</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	<b>120</b>	<b>102</b>
Company contributions to defined contribution pension schemes	<b>8</b>	<b>6</b>
	<b>128</b>	<b>108</b>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

The emoluments of some directors are paid by fellow group companies, which make no recharge to the Company. These directors are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no emoluments in respect of such directors are disclosed in these financial statements.

**10. Interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	<b>1,091</b>	<b>141</b>
Bank interest receivable	<b>434</b>	<b>28</b>
	<b>1,525</b>	<b>169</b>

**11. Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	<b>377</b>	<b>67</b>
Finance leases and hire purchase contracts	<b>164</b>	<b>216</b>
Interest on lease liabilities	<b>105</b>	<b>113</b>
	<b>646</b>	<b>396</b>

**12. Other finance income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	<b>5,000</b>	<b>3,500</b>
Net interest on net defined benefit liability	<b>(4,100)</b>	<b>(2,900)</b>
	<b>900</b>	<b>600</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

## 13. Tax on loss

	2023 £000	2022 £000
<b>Current tax</b>		
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(65)	282
Adjustments in respect of previous periods	(80)	99
<b>Total deferred tax</b>	(145)	381
<b>Tax on loss</b>	(145)	381

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20.5% (2022 - 19.00%). The differences are explained below:

	2023 £000	2022 £000
Loss before tax	(9,033)	(1,195)
Loss before tax multiplied by standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	(1,852)	(227)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(52)	(52)
Adjustments to tax charge in respect of prior periods	(80)	99
Group relief	1,797	493
Impact of change in rate of UK corporation tax	42	68
<b>Total tax charge for the year</b>	(145)	381

The corporation tax credit for the year has been reduced by £1,797,000 (2022: £493,000) because of group relief surrendered to a fellow subsidiary, for which no payment will be made (2022: £NIL).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**13. Tax on loss (continued)****Factors that may affect future tax charges**

An increase in the main rate of corporation tax in the UK from 19% to 25% was substantively enacted on 24 May 2021 and took effect from 1 April 2023.

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

**Tax included in Other Comprehensive Income**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
<b>Current tax</b>		
Current tax	-	-
	<hr/>	<hr/>
	-	-
<b>Deferred tax</b>		
Amounts relating to other comprehensive income or otherwise transferred	<b>504</b>	<b>1,563</b>
Rate change	-	-
	<hr/>	<hr/>
<b>Total tax included in Other Comprehensive Income</b>	<b>504</b>	<b>1,563</b>
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

## 14. Intangible assets

	Goodwill £000	Other intangible assets £000	Total £000
<b>Cost</b>			
At 1 July 2022	13,001	142	13,143
Additions	-	1,331	1,331
Transfers between classes	-	813	813
At 30 June 2023	13,001	2,286	15,287
<b>Accumulated amortisation</b>			
At 1 July 2022	9,607	81	9,688
Charge for the year on owned assets	-	14	14
At 30 June 2023	9,607	95	9,702
<b>Net book value</b>			
At 30 June 2023	3,394	2,191	5,585
At 30 June 2022	3,394	61	3,455

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

## 15. Tangible assets

	Freehold property £000	Plant and machinery £000	Right of use assets £000	Total £000
<b>Cost or valuation</b>				
At 1 July 2022	7,355	87,115	10,820	105,290
Additions	-	1,095	59	1,154
Disposals	-	(3,456)	(5,395)	(8,851)
Transfers between classes	-	(813)	-	(813)
At 30 June 2023	7,355	83,941	5,484	96,780
<b>Accumulated depreciation and impairment</b>				
At 1 July 2022	5,748	77,338	7,195	90,281
Charge for the year on owned assets	36	3,071	-	3,107
Charge for the year on right-of-use assets	-	-	511	511
Disposals	-	(2,778)	(5,395)	(8,173)
At 30 June 2023	5,784	77,631	2,311	85,726
<b>Net book value</b>				
At 30 June 2023	1,571	6,310	3,173	11,054
At 30 June 2022	1,607	9,777	3,625	15,009

The net book value of assets held under finance leases or hire purchase contracts, included above, are £52,000 (2022: £6,000). There were finance leases on three buildings as at 30 June 2023. When these assets were originally taken over by Amcor the assets were revalued to nil, however since then one has had an extension and the other two have been revalued. Charge for the year on owned assets includes £1,474,000 (2022: £nil) of impairment to net realisable value resulting from the reorganisation as detailed in note 6.

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

	2023 £000	2022 £000
Tangible fixed assets owned	7,881	11,384
Right-of-use tangible fixed assets	3,173	3,625
	<u>11,054</u>	<u>15,009</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**15. Tangible assets (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Property	<b>3,104</b>	<b>3,481</b>
Plant and machinery	<b>59</b>	<b>116</b>
Motor vehicles	<b>8</b>	<b>24</b>
Office and computer equipment	<b>2</b>	<b>4</b>
	<hr/>	<hr/>
	<b>3,173</b>	<b>3,625</b>
	<hr/>	<hr/>

**Depreciation charge for the year ended**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Property	<b>378</b>	<b>372</b>
Plant and machinery	<b>115</b>	<b>165</b>
Motor vehicles	<b>17</b>	<b>21</b>
Office and computer equipment	<b>1</b>	<b>2</b>
	<hr/>	<hr/>
	<b>511</b>	<b>560</b>
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

## 16. Investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 July 2022	17,526
At 30 June 2023	<u>17,526</u>
<b>Accumulated impairment</b>	
At 1 July 2022	-
Charge for the period	9,526
At 30 June 2023	<u>9,526</u>
<b>Net book value</b>	
At 30 June 2023	<u>8,000</u>
At 30 June 2022	<u>17,526</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Amcor Norwich Limited	83 Tower Road North, Warmley, Bristol, BS30 8XP	Non trading	Ordinary	100%
Amcor Flexibles Cramlington Limited	83 Tower Road North, Warmley, Bristol, BS30 8XP	Non trading	Ordinary	100%

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. During the year, dormant subsidiary Amcor Norwich Ltd distributed its remaining assets to the Company prior to entering a voluntary liquidation. This return of investment resulted in an impairment of the Company's investment carrying value. There was no indication of further impairment of the carrying value of the investments. The directors consider the value of the investments to be supported by their underlying assets. Since the balance sheet date, the subsidiary Amcor Norwich Ltd was dissolved on 14 February 2024.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. Stocks**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>5,671</b>	8,890
Work in progress (goods to be sold)	<b>1,362</b>	1,630
Finished goods and goods for resale	<b>8,941</b>	11,688
	<u><b>15,974</b></u>	<u>22,208</u>

Stocks are stated after provision for impairment of £1,861,000 (2022: £1,165,000).

**18. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>8,424</b>	11,344
Amounts owed by group undertakings	<b>65,099</b>	63,776
Prepayments and accrued income	<b>1,169</b>	1,372
Other debtors	<b>1,514</b>	732
Tax recoverable	<b>298</b>	726
Financial instruments	<b>-</b>	349
	<u><b>76,504</b></u>	<u>78,299</u>

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

Trade debtors are stated after provision for impairment of £2,000 (2022: £Nil).

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.

**19. Cash at bank and in hand**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>22,804</b>	26,999
Less: bank overdrafts	<b>(6,776)</b>	(4,422)
	<u><b>16,028</b></u>	<u>22,577</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>15,428</b>	<b>25,549</b>
Amounts owed to group undertakings	<b>6,865</b>	<b>9,599</b>
Other taxation and social security	<b>3,473</b>	<b>3,410</b>
Lease liabilities	<b>959</b>	<b>970</b>
Other creditors	<b>1,165</b>	<b>905</b>
Accruals and deferred income	<b>11,507</b>	<b>5,663</b>
Financial instruments	<b>451</b>	<b>-</b>
	<hr/> <b>39,848</b> <hr/>	<hr/> <b>46,096</b> <hr/>

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

All amounts owed to group undertakings are payable on demand.

The overdraft is unsecured, repayable on demand and interest is payable at various rates. See note 30 for details of the security in place in respect of the group cash pooling arrangement in which the Company participates.

**21. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Lease liabilities	<b>3,860</b>	<b>4,770</b>
Amounts owed to group undertakings	<b>8,307</b>	<b>17,848</b>
	<hr/> <b>12,167</b> <hr/>	<hr/> <b>22,618</b> <hr/>

Amounts owed to group undertakings are unsecured and bear interest at various rates.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**22. Financial instruments**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>22,804</b>	26,999
Financial assets measured at amortised cost	<b>75,037</b>	75,851
Derivative financial instruments measured at fair value through profit or loss	<b>-</b>	349
	<u><b>97,841</b></u>	<u><b>103,199</b></u>
<b>Financial liabilities</b>		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	<b>(451)</b>	-
Financial liabilities measured at amortised cost	<b>(43,360)</b>	(64,062)
	<u><b>(43,811)</b></u>	<u><b>(64,062)</b></u>

Derivative financial instruments measured at fair value through profit or loss comprise financial instruments. The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors and creditors. At 30 June 2023 the Company had entered into forward exchange contracts to, for a fixed sterling amount, purchase: EUR €27,441,000 (2022: purchase €32,676,000) at various times in the future up to 25 June 2024 (2022: 26 June 2023).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rate for GBP: EUR.

Financial assets measured at fair value through profit and loss comprise cash at bank and in hand.

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**23. Deferred taxation**

	<b>2023 £000</b>
At beginning of year	(1,780)
Credit to Statement of Comprehensive Income	145
Credit to Other Comprehensive Income on cash flow hedge	69
Credit to Other Comprehensive Income on pension scheme	435
<b>At end of year</b>	<b>(1,131)</b>

The provision for deferred taxation is made up as follows:

	<b>2023 £000</b>	<b>2022 £000</b>
Accelerated capital allowances	4,512	4,032
Tax losses and other short term timing difference	3	3
Pension asset	(5,650)	(5,750)
Cash flow hedge reserve	4	(65)
	<b>(1,131)</b>	<b>(1,780)</b>

**24. Other provisions**

	<b>Reorganisation £000</b>
At 1 July 2022	-
Charged to profit or loss	8,247
Utilised in year	(6,828)
<b>At 30 June 2023</b>	<b>1,419</b>

During the year a consultation with employees regarding the short-run activity of the company concluded with the outcome that the corresponding production volumes would transfer to other Amcor UK plants. A provision was recognised for costs associated with this reorganisation, where the Company has a legal or constructive obligation and an outflow of economic benefits is probable. It is anticipated that the remaining provision will be utilised in the 2024 financial period.

**25. Capital commitments**

At 30 June 2023, the Company had capital commitments of £554,000 (2022: £830,000).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. Employee benefit obligations****Group personal pension plan**

From 1 October 2010 the Company contributed to a newly established Group Personal Pension Plan (the Amcor UK Group Personal Pension Plan) for all employees who elected to participate. This plan is open to new members.

There were no outstanding or prepaid contributions at the year end (2022: £NIL).

**Company Defined Benefit Pension Scheme**

The Company operates a Defined benefit pension scheme in the UK (the Amcor UK Pension Plan "the Plan"). The Plan is closed to new entrants and the future accrual of benefits. The last full actuarial valuation of the Plan was undertaken as at 31 March 2022. The results of this latest full actuarial valuation were formally approved on 28 February 2023.

The assets of the Plan are held separately from those of the Company in an independently administered fund. The pension cost charge for the year represents contributions payable by the Company to the Plan, and amounted to £440,000 (2022: £660,000). There were no outstanding or prepaid contributions at the year end (2022: £NIL).

In November 2017, following consultation with Amcor Holding, the principal employer of the Plan, the trustee of the Amcor UK Pension Plan purchased a bulk annuity insurance policy for current pensioners, which provides monthly cash income to match the pensioner payroll ("the buy-in"). Under the buy-in, the pension scheme assets and liabilities related to the pensioners will be matched, resulting in a reduction in balance sheet volatility.

In conjunction with consultations on the buy-in, Amcor Holding entered into an irrevocable and unconditional guarantee with the trustee of the Amcor UK Pension Plan. The main provision is to guarantee all present and future obligations owing or to be paid to the Amcor UK Pension Plan, including the ongoing schedule of contributions to the Amcor UK Pension Plan from the UK companies as well as any Section 75 debt /amounts due on insolvency of the UK companies (subject to a guarantee cap).

The risks of the Plan are as follows:

**(a) Asset volatility**

The Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of non corporate bond assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the Plan matures, or market movements provide opportunities, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

**(b) Changes in bond yields**

A decrease in corporate bond yields will increase Plan liabilities, although this will be partially offset by an increase in the value of the Plans' bond holdings.

**(c) Life expectancy**

The majority of the Plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plan's liabilities.

**(d) Inflation risk**

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the Plan against extreme

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. Employee benefit obligations (continued)**

inflation). The majority of the Plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Reconciliation of present value of plan liabilities:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	<b>110,100</b>	<b>148,800</b>
Interest cost	<b>4,100</b>	<b>2,900</b>
Actuarial gains	<b>(26,660)</b>	<b>(32,630)</b>
Benefits paid	<b>(8,040)</b>	<b>(8,970)</b>
<b>At the end of the year</b>	<b>79,500</b>	<b>110,100</b>

Reconciliation of present value of plan assets:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At the beginning of the year	<b>133,100</b>	<b>177,200</b>
Interest income on plan assets	<b>5,000</b>	<b>3,500</b>
Actuarial losses	<b>(28,400)</b>	<b>(39,290)</b>
Contributions by employer	<b>440</b>	<b>660</b>
Benefits paid	<b>(8,040)</b>	<b>(8,970)</b>
<b>At the end of the year</b>	<b>102,100</b>	<b>133,100</b>

Composition of plan assets:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bonds	<b>48,000</b>	<b>47,900</b>
Insurance contracts	<b>38,100</b>	<b>45,000</b>
Cash and cash equivalents	<b>16,000</b>	<b>5,300</b>
Other securities	<b>-</b>	<b>34,900</b>
<b>Total plan assets</b>	<b>102,100</b>	<b>133,100</b>

All securities are unquoted. The mix of plan assets is overseen by the Fiduciary Manager appointed. Despite continued volatility in market conditions and asset values over the period to June 2023, the relatively low-risk and defensive asset strategy has helped to mitigate the impact on the scheme assets.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

## 26. Employee benefit obligations (continued)

	2023 £000	2022 £000
Fair value of plan assets	102,100	133,100
Present value of plan liabilities	(79,500)	(110,100)
<b>Net pension scheme asset</b>	<b>22,600</b>	<b>23,000</b>

The amounts recognised in statement of comprehensive income are as follows:

	2023 £000	2022 £000
Interest expense on defined benefit obligation	(4,100)	(2,900)
Interest income on plan assets	5,000	3,500
<b>Total expense recognised through profit or loss</b>	<b>900</b>	<b>600</b>
Actuarial losses	(1,740)	(6,660)
<b>Total expense recognised through other comprehensive income</b>	<b>(1,740)</b>	<b>(6,660)</b>

The Company expects to contribute £440,000 to its Defined Benefit Pension Scheme in the 2024 financial period.

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was a loss of £51,825,000 (2022: £45,190,000 loss).

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2023 %	2022 %
Discount rate	5.4	3.9
Future pension increases	3.1	3.0
Inflation assumption	3.1	3.1
Mortality rates		
- for a male aged 65 now	21.8	22.20
- at 65 for a male aged 50 now	22.7	23.80
- for a female aged 65 now	23.9	25.20
- at 65 for a female member aged 50 now	25.3	27.50

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. Employee benefit obligations (continued)**

Mortality Rates - current year:

Mortality male - S3PMA with a 103% adjustment, CMI 2021 future improvements, 1.25% pa trend  
Mortality female - S3PFA\_M with a 99% adjustment, CMI 2021 future improvements, 1.25% pa trend

Mortality Rates - prior year:

Mortality male - S3PMA with a 98% adjustment, CMI 2021 future improvements, 1.5% pa trend  
Mortality female - S3PFA\_M with a 84% adjustment, CMI 2021 future improvements, 1.5% pa trend

Sensitivity analysis of plan liabilities:

A 25bp increase in the discount rate will decrease plan liabilities by £2.7m.  
A 25bp decrease in the discount rate will increase plan liabilities by £2.8m.

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. An allowance has been included in the liabilities to reflect the expected value of these additional benefits and the Company does not expect the charge to have a material impact to the financial statements.

In June 2023, the UK High Court (Virgin Media Ltd v NTL Pension Trustees II Ltd) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment is subject to appeal. The Company is monitoring developments and will consider if there are any implications for the Plan if the ruling is upheld.

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

Defined benefit pension schemes

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Defined benefit obligation	(79,500)	(110,100)	(148,800)	(162,000)	(153,100)
Scheme assets	102,100	133,100	177,200	195,200	175,100
<b>Surplus</b>	<b>22,600</b>	<b>23,000</b>	<b>28,400</b>	<b>33,200</b>	<b>22,000</b>
Experience adjustments on scheme liabilities	26,660	32,630	(2,500)	2,320	5,430
Experience adjustments on scheme assets	(28,400)	(39,290)	(9,830)	25,180	9,756
	<b>(1,740)</b>	<b>(6,660)</b>	<b>(12,330)</b>	<b>27,500</b>	<b>15,186</b>

The net surplus of the scheme is recognised on the Statement of Financial Position, where the most appropriate presentation is deemed to be as a separate item within current assets.

The duration of expected benefit payments is 15 years.

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**27. Commitments under operating leases**

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
<b>Other</b>		
Not later than 1 year	<b>112</b>	<b>79</b>
Later than 1 year and not later than 5 years	<b>134</b>	<b>108</b>
	<u><b>246</b></u>	<u><b>187</b></u>

Under the modified retrospective approach of IFRS 16, the discounted value of future lease payments towards qualifying leases have been recognised as lease liabilities.

**28. Called up share capital**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
<b>Allotted, called up and fully paid</b>		
69,751,376 ordinary shares of £1.00 each	<u><b>69,751</b></u>	<u><b>69,751</b></u>

**29. Reserves****Share premium account**

Share premium account reflects the amounts paid by shareholders of the Company in excess of the nominal value of issued share capital.

**Other reserves**

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

**Retained earnings**

The retained earnings account reflects the entity's accumulated earnings less dividends paid and payable.

**30. Contingent liabilities**

The Company participates in a group cash pooling arrangement between the banking providers and other members of the Amcor group. All members of the group cash pool arrangement are jointly and severally liable for any payment default. As at 30 June 2023, the cash pool was in a negative net position of €33,171,000 (2022: €49,825,000 negative).

**NOTES TO THE FINANCIAL STATEMENTS  
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**31. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Amcor UK Group Management Limited, registered in England and Wales, UK.

The ultimate parent and controlling party is Amcor plc, a company incorporated in Jersey, Channel Islands. This is the largest and smallest group to consolidate these financial statements. The registered office is the same as that of the Company and 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).