

**AMCOR FLEXIBLES WINTERBOURNE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

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COMPANIES HOUSE

**AMCOR FLEXIBLES WINTERBOURNE LIMITED**

**COMPANY INFORMATION**

**Directors**

S Morton  
D Clayton  
M Burrows

**Registered number**

02456291

**Registered office**

83 Tower Road North  
Warmley  
Bristol  
BS30 8XP

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**Business review and future developments**

The Company's principal business is the design, manufacture and printing of specialised packaging primarily for use in the medical sector.

As can be seen in the table below the business maintained a strong safety culture. The Company continues to review its procedures and implement improvements to reduce the risks of workplace accidents in the future.

The year to 30 June 2020 saw sales growth and an improvement in gross margin to 24.4% due to improvements in efficiency and favourable raw material prices. The financial position of the Company remains strong with net assets increasing by £5,396,000 (2019 increase £3,745,000).

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

The directors consider the results for the year to be satisfactory and the Company looks forward to the 2021 financial year with clear priorities, to keep co-workers safe, delivering quality products and offer value to customers, and execute effectively in areas under our control with the impact of the Covid-19 pandemic continually monitored as a principal risk and uncertainty.

	2020 £000	2019 £000
<b>Financial key performance indicators</b>		
Turnover	59,523	55,259
Gross profit	14,507	12,728
Margin	24.4%	23.0%
Operating profit	5,148	3,751
	No.	No.
<b>Non- financial key performance indicators</b>		
Average number of employees	183	175
Number of workplace accidents requiring medical treatment with no loss of production time	1	1
Number of workplace accidents requiring medical treatment with recordable case frequency rate	2.85	2.89

**Financial risk management**

The Company principal financial assets are amounts owed by group undertakings and trade debtors.

The Company participates in a group 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 guarantee's 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 felt necessary.

The Company 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 companies, which fix a significant portion of these exposures, thereby giving certainty over a substantial part of the Company's income stream and costs. 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.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Principal risks and uncertainties**

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

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

This has allowed the Company to demonstrate durability in dealing with the political and economic developments over the last 12 months. The Company has contributed to European and Global project initiatives within the Group in a structured way including to manage the impacts of the UK leaving the European Union. The Company will continue to act responsibly and coordinate actions through the supply chain of its group undertakings to maintain supply and preserve safety. Working with suppliers and customers the Company and its group undertakings are well placed to respond positively to situations as they arise in supporting the continuity of supply across the essential markets of food and healthcare. During H2 the business encountered the unprecedented uncertainty and challenges arising from the Covid-19 pandemic although the defensive end markets in which the Company mainly operates have demonstrated the same resilience experienced through past economic cycles. However, the continuing uncertainty around the duration and severity of the pandemic makes estimating the impact on the Company's operations and financial results difficult. Rigorous precautionary measures are in place to protect employees, customers and suppliers and are expected to continue until the pandemic is adequately contained for the business. The Company has not experienced any significant disruptions in the supply chain to date and continues to monitor the risk of customer, raw material and other supply chain disruption.

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

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

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

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

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

**Long term sustainability**

The Company supports the financing requirements across the group in a responsible and balanced approach in order to enable the longer term viability of the Company and wider interests of the group. Key decisions and representations provided by Group to the Company's Board of Directors are considered and executed on a timely basis consistent with group strategy. During the year to 30 June 2020 this has included the investment of an additional production line and various energy efficiency projects as part of the strategy to fund the long-term business needs across the Amcor Group of Companies. Dividends are declared and paid after due consideration

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

of current profitability and adequacy of retained earnings to meet future funding requirements and the overall financial health of the Company.

**Employees**

The Directors recognise that continued success is dependent on the ability to identify, attract, motivate, train and retain qualified personnel in key functions and geographical areas encompassed as the "Amcor Way". The Company is focussed on being a responsible employer, from pay and benefits to our health, safety and workplace environment, where the Directors consider the implications of decisions on employees and the wider workforce, where relevant and feasible including a regular Engagement Survey across the businesses including regular briefing sessions at which staff are encouraged to raise issues with the directors and senior managers. 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 sought to minimise any detrimental impact of the Company's operations may have on the environment. The Company also supports a range of charitable and community activity locally based on employee involvement. The Company as a member of the Amcor group of companies has pledged to develop all the packaging to be recyclable or reusable by 2025 including being a signatory to the Global Commitment in October 2018 sponsored by the Ellen MacArthur Foundation in collaboration with the United Nations Environment Programme.

**Business conduct**

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

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

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

This report was approved by the board on 2 February 2021 and signed on its behalf.



**M Burrows**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the financial statements for the year ended 30 June 2020.

**Results and dividends**

The profit for the year, after taxation, amounted to £5,593,000 (2019 - £3,751,000).

The Company has paid a dividend of £nil (2019 - £nil) and does not recommend the payment of a final dividend (2019 - £nil).

**Directors**

The Directors of the Company who were in office and served during the year and up to the date of signing the financial statements were:

S Morton  
D Clayton  
M Burrows

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Future developments and financial risk management**

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

**Research and development activities**

Research and development costs incurred during the year amounted to £467,000 (2019 - £499,000). 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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Engagement with employees**

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

**Disabled employees**

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

**Disclosure of information to auditors**

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

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

**Streamlined Energy and Carbon Reporting (SECR) 2020**

**Company Information**

The Company meets the qualifying criteria of SECR due to being a "Large Company" as defined under the Companies Act 2006.

**Responsible Person**

Matthew Burrows, Finance Director is the designated responsible person for calculation and reporting of the Company's annual carbon emissions.

**Data Completeness**

The Company have reported on a single site including transport data which represents 100% coverage of their operations energy consumption as required by the reporting guidelines for UK SECR.

**Quantification Methodology**

This assessment is produced in line with UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019). The methodology used is the Greenhouse Gas (GHG) Protocol Corporate Standard for quantification and reporting of greenhouse gas emissions and removals.

The emissions factors used for Scope 1, are the GHG Protocol factors. For Scope 2, the emissions factors used are location-based.

**Data Verification**

Energy data is collated on verifiable primary evidence (invoices, meter readings, statements etc.).

**Definitions**

GHG emissions are categorised into three Scopes:



**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

- Scope 1 – Direct emissions resulting from the primary combustion of fuels in organisation-controlled premises, vehicles and plant. Fugitive emissions resulting from leakage of CFC gases from air conditioning and refrigeration equipment.
- Scope 2 – Indirect emissions resulting from the consumption of purchased electricity that has been generated off-site and supplied by the national grid.
- Scope 3 – Indirect emissions associated with the consequences of the activities of the organisation but controlled by another entity outside of the corporate structure.

**Inclusions**

GHG emissions have been calculated for mandatory Scopes 1 and 2 in line with Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019). This sets out the below emissions as mandatory to report for quoted companies:

**Scope 1 – Direct Combustible Fuels**

- Emissions from combustion of gas or oil (tCO<sub>2</sub>e) [SCOPE 1]
- Emissions from combustion of fuel for transport purposes (tCO<sub>2</sub>e) [SCOPE 1]

**Scope 2 – Indirect Combustible Fuels**

- Emissions from purchased electricity location based (tCO<sub>2</sub>e) [SCOPE 2]

**Exclusions**

The following source emissions have been excluded from the boundaries of the report in line with Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019). These have not been reported as they are optional to report and outside of the company's financial control. In the future, the Company may report on these emission sources to allow them to better understand its wider environmental impacts that arise from its operations and supply chain.

**Scope 1 – Direct Combustible Fuels and Fugitive Emissions**

- Refrigerants: Refrigerants used at company premises are currently considered impractical to measure and therefore excluded. However, going forward, Amcor Flexibles Winterbourne Limited as a member of the Amcor Group of Companies aim to gather more accurate data on the volume of refrigerants used.

**Scope 3 – Other Indirect Emissions**

- Emissions from extraction and production of purchased materials and fuels for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from use of sold products and services for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from purchase of electricity that is sold to an end user for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from transportation of purchased fuels for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from transportation of waste out of financial / operational control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from transportation of sold products for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from employee business travel which the company does not own or control and where not responsible for purchasing the fuel (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from employees commuting to and from work for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from leased assets, franchises, and outsourced activities (tCO<sub>2</sub>e) [SCOPE 3]

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020

- Emissions from disposal of waste generated in operations for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from disposal of waste generated in production of purchased materials and fuels for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from production of purchased materials and fuels for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from disposal of sold products at the end of their life for which the company does not own or control (tCO<sub>2</sub>e) [SCOPE 3]
- Emissions from fugitive emissions from air conditioning, where other third parties in the supply chain benefit, not the company [SCOPE 3]

## Summary of Energy consumption

Energy consumption associated with the Company's operations during the year to 30 June 2020 have been calculated and are detailed below. The figures shown include the data for the previous financial year to 30 June 2019 emissions data to allow for comparison between financial years:

## Summary of Absolute Energy

ENERGY (MWh)	FY2020	FY2019	% Changes
<b>TOTAL (MWh)</b>	<b>24,692</b>	<b>24,811</b>	<b>-0.5%</b>

It can be seen that there is a decrease year on year of 0.5%

## GHG Emissions Summary

GHG emissions associated with the Company's operations during the year to 30 June 2020 have been calculated and are detailed below. The figures shown include the data for the previous financial year to 30 June 2019 emissions data to allow for comparison between years.

The table below shows emissions from natural gas, transport and electricity consumption for the Company's site.

## Summary of Absolute GHG Emissions

GREENHOUSE GAS	FY2020	FY2019	% Change
<b>SCOPE 1 EMISSIONS (tCO<sub>2</sub>e)</b>			
Emissions from of gas, oil and transport fuel (tCO <sub>2</sub> e) [SCOPE 1]	<b>1,540</b>	<b>1,594</b>	<b>-3.3%</b>
<b>SCOPE 2 EMISSIONS (tCO<sub>2</sub>e)</b>			
Emissions from purchased electricity location based (tCO <sub>2</sub> e) [SCOPE 2]	<b>4,177</b>	<b>4,349</b>	<b>-4.0%</b>
<b>TOTAL EMISSIONS (tCO<sub>2</sub>e)</b>	<b>5,717</b>	<b>5,943</b>	<b>-3.8%</b>

It can be seen that emissions decreased year on year by 3.8%.

## Renewable Energy Exports to Grid

There are no company owned or operated renewable energy sources. However, there is a third party owned solar PV system located on the roof of the facility which provides solar generated electricity that is predominantly consumed within the facility.

## Carbon Offsetting and Sequestration

No verified carbon offset has been purchased to offset the emissions stated above

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**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 sales volume and hence tonnes CO<sub>2</sub>e per £million sales revenue has been used most appropriate indicator of carbon performance across the Company sites.

It can be seen that the carbon intensity ratio decreases by around 10.9 % year on year indicating improved carbon and energy efficiency at the site year on year. This is a result of the new production line that was installed in 2020.

**Summary of Carbon Intensity Ratio (tonnes CO<sub>2</sub>e per £million sales revenue)**

<b>NORMALISATION</b>	<b>FY2020</b>	<b>FY2019</b>	<b>% Change</b>
Average across sites	95.7	107.4	-10.9

**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 in 2020. 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 2020 the Company have implemented energy efficiency projects at their site. The projects include:

- Centralised vacuum delivery system with variable speed drive (VSD).
- Heat recovery into the medium temperature hot water (MTHW) circuit has been re-commissioned and is now effective after some years of being non-operational.
- Replacement of fluorescent light with LED lighting.

The site has had a new production line installed during the financial year. This has driven the significant reduction of energy intensity of 10.9% year on year as the new line is significantly more efficient than the older existing production lines. Despite the new additional line energy consumption has gone down slightly.

**Post balance sheet events**

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

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**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 of Directors on 2 February 2021 and signed on its behalf by:



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

# ***Independent auditors' report to the members of Amcor Flexibles Winterbourne Limited***

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

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### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 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 2020; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

### **Independence**

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

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

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

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

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

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### **Reporting on other information**

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

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

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

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

## *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

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

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

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

### *Use of this report*

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

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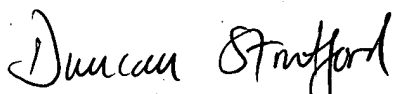
## **Other required reporting**

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

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

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

We have no exceptions to report arising from this responsibility.



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

3 February 2021

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £000	2019 £000
Turnover	4	59,523	55,259
Cost of sales		(45,016)	(42,531)
<b>Gross profit</b>		<b>14,507</b>	<b>12,728</b>
Distribution costs		(3,056)	(2,535)
Administrative expenses		(6,303)	(6,118)
<b>Operating profit</b>	5	<b>5,148</b>	<b>4,075</b>
Interest payable and similar expenses	8	(16)	(15)
<b>Profit before tax</b>		<b>5,132</b>	<b>4,060</b>
Tax on profit	9	461	(309)
<b>Profit for the financial year</b>		<b>5,593</b>	<b>3,751</b>
<b>Other comprehensive income:</b>			
<b>Items that may subsequently be reclassified to profit or loss:</b>			
Changes in fair value of cash flow hedges		(94)	(6)
Timing differences in relation to adoption of IFRS 16		(38)	-
		(132)	(6)
<b>Total comprehensive income for the year</b>		<b>5,461</b>	<b>3,745</b>

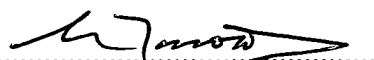
The notes on pages 15 to 36 form part of these financial statements.

**AMCOR FLEXIBLES WINTERBOURNE LIMITED**  
**REGISTERED NUMBER: 02456291**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	10		130		228
Tangible assets	11		17,601		15,653
			<u>17,731</u>		<u>15,881</u>
<b>Current assets</b>					
Stocks	12	7,180		6,502	
Debtors	13	37,363		35,684	
		<u>44,543</u>		<u>42,186</u>	
Creditors: amounts falling due within one year	14	(20,713)		(22,166)	
<b>Net current assets</b>			<u>23,830</u>		<u>20,020</u>
<b>Total assets less current liabilities</b>			<u>41,561</u>		<u>35,901</u>
Creditors: amounts falling due after more than one year	15		(264)		-
<b>Net assets</b>			<u><u>41,297</u></u>		<u><u>35,901</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		11,204		11,204
Share premium account	19		1,391		1,391
Other reserves	19		(284)		(190)
Retained earnings	19		28,986		23,496
<b>Total shareholders' funds</b>			<u><u>41,297</u></u>		<u><u>35,901</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 February 2021.



**M Burrows**  
Director

The notes on pages 15 to 36 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
<b>At 1 July 2018</b>	<b>11,204</b>	<b>1,391</b>	<b>(184)</b>	<b>19,745</b>	<b>32,156</b>
<b>Comprehensive income for the year</b>					
Total comprehensive income	-	-	-	3,751	3,751
Changes in fair value of cashflow hedges	-	-	(6)	-	(6)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>3,751</b>	<b>3,745</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 1 July 2019</b>	<b>11,204</b>	<b>1,391</b>	<b>(190)</b>	<b>23,496</b>	<b>35,901</b>
<b>Comprehensive income for the year</b>					
Total comprehensive income	-	-	-	5,593	5,593
Deferred tax movements	-	-	-	(65)	(65)
Changes in fair value of cashflow hedges	-	-	(94)	-	(94)
Timing differences in relation to adoption of IFRS 16	-	-	-	(38)	(38)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>(103)</b>	<b>(197)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>5,490</b>	<b>5,396</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2020</b>	<b>11,204</b>	<b>1,391</b>	<b>(284)</b>	<b>28,986</b>	<b>41,297</b>

The notes on pages 15 to 36 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**1. General information**

Amcor Flexibles Winterbourne Limited is a private company limited by shares and incorporated in the United Kingdom. The address of the registered office is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

The Company manufactures, sells and distributes specialised packaging, primarily for use in the medical sector.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

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

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**2. Accounting policies (continued)****2.3 New standards and interpretations, and interpretations not yet applied**

During the year the Company adopted IFRS 16 'Leases'. The new Standard increases assets and liabilities for leases previously accounted for as operating leases which are to be capitalised on the balance sheet as right-of-use assets and lease liabilities. The adoption of the new Standard will result in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application where a policy can be applied consistently on transition and subsequently. The Company is likely to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The Company has performed the transition by using the modified retrospective approach, which does not require restatement of comparative periods. The comparative information continues to be reported in accordance with IAS 17 and IFRIC 4. The accounting principles for the comparative figures are presented below under the heading "Lease – IAS 17 (comparative figures), Note 2.8. Details of the changes in accounting policies are presented below.

The Company's lease portfolio consists leased buildings including office, manufacturing and warehouse premises, vehicles, plant and machinery.

**2.4 Going concern**

The financial statements have been prepared on a going concern basis since the directors are satisfied of the intention that Amcor Plc will continue to have access to adequate liquidity and resources for the foreseeable future within its subsidiaries, and the Company. This includes a letter of support to the Company to ensure financial obligations can be met as they fall due for a period of at least 12 months from the date of signing these financial statements.

The impact that the recent Covid-19 pandemic will have on our operations is uncertain. While the overall impact on our operations to date has not been material and whilst the Company continued to have access to liquidity through the commercial paper market access was temporarily restricted during March due to the impact from Covid-19 on financial markets. Based on our current and expected cash flow from operating activities and available cash, we believe the Group's cash flows provided by operating activities, together with borrowings available under our credit facilities, will continue to provide sufficient liquidity to fund our operations, capital expenditures and other commitments, including dividends, into the foreseeable future. We have considered the potential impacts of the Covid-19 pandemic in our critical accounting estimates and judgements as of 30 June 2020 and will continue to evaluate the nature and extent of the impact on our business and the consolidated results of the Amcor Group.

**2.5 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

Typically, goods and services are provided under contracts with the customer that are substantially the same and that have the same pattern of transfer with control passing at a point in time. The Company has concluded that there is no material change in the timing of revenue recognition net of

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**2. Accounting policies (continued)****2.5 Turnover (continued)**

discounts, rebates, credits, price concessions, performance bonuses and similar incentives, value added tax and other sales taxes with revenue 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.

**2.6 Intangible assets**

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.

**2.7 Tangible assets**

Tangible 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2% per annum
Plant and machinery	- 6.7% to 25% per annum
Fixtures and fittings	- 8% per annum
Computer equipment	- 20% to 33% per annum
Motor vehicles	- 25% per annum

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)****2.7 Tangible assets (continued)**

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) plant and machinery;
- b) computer equipment; and
- c) motor vehicles.

Leases are recognised, measured and presented in line with IFRS 16 'Leases'.

**Accounting by the lessee**

The Company implemented a single accounting model, requiring lessees to recognize assets and liabilities for all leases excluding exceptions listed in the standard. The Company elected to apply exemptions for leases for which the underlying asset is of low value.

Based on the accounting policy applied the Company recognizes a right-of-use asset and a 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; and
- any lease payments made at or before the commencement date, less any lease incentives; and
- 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.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the estimated useful lives. The predominant estimated useful lives are as follows:

Plant and machinery	- 20.0 – 22.2% per annum
Motor vehicles	- 25.0% 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.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)****2.7 Tangible assets (continued)**

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 recognized directly in the profit and loss.

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.

After the commencement date the Company measures the lease liability 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.

**2.8 Commitments under right of use asset leases****Company as lessee**

For the Company, a financial lease implies that the fixed asset leased is recognised as an asset in the Statement of Financial Position. Initially, a corresponding liability is recorded. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the future minimum lease payments. Fixed assets under finance leases are depreciated over their estimated useful lives, while the lease payments are reported as interest and amortization of the lease liability. For operating leases, the Company does not account for the leased asset in its balance sheet. The costs of operating leases are recorded in the income statement on a straight-line basis over the term of the lease.

As a lessee, the Company has elected to apply a number of practical expedients. Recognition exemptions are set per asset category for short-term leases and leases for which the underlying asset is of low value. Leases that, at the commencement date, had a lease term of 12 months or less are not recognised as leases in the balance sheet. The Company has elected to apply the exemption for leases for which the underlying asset is of a low value regarding office equipment such as printers and computers.

All finance leases are excluded at transition as well as leases where the lease term ends prior to 30 June 2020. For short-term leases and leases where the underlying asset are of a low value, the Company recognised lease payments as an expense on a straight-line basis over the lease term.

Non-lease components such as service components and other variable components that do not depend on an index or price are accounted for as expenses, if they could be separated in the contracts for the leased asset. In most cases service components are variable and based on for example consumption.

For leases of other assets, previously classified as operating leases under IAS 17, the Company recognised right-of-use assets and liabilities.

The company has no leases previously classified as finance leases.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**2. Accounting policies (continued)****2.8 Commitments under right of use asset leases (continued)****Recognition of a lease**

Upon initiation, contracts are assessed by the Company, to determine whether a contract is, or contains a lease. If the 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 if there is an identifiable asset, if 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 policy is applied to contracts entered into, or changed, on or after 1 July 2019. The Company has elected to separate the non-lease components and also elected to apply a number of practical expedients with regard to short-term leases and leases for which the underlying asset is of low value. In cases where the Company acts as an intermediate lessor, it accounts for its interest in the head-lease and the sub-lease separately.

**Measurement of a right-of-use asset and lease liability Right-of-use asset**

On commencement date, the Company measures the right-of-use asset at cost, which includes the following: the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Company as well as an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract. Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognised when the Company incurs an obligation to do so.

The right-of-use asset is depreciated over the lease term, using the straightline method.

**Lease liability**

On commencement date, the lease liability is measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the lease liability comprise of fixed payments, variable lease payments that depend on an index or a rate, amounts to be paid under a residual value guarantee and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option as well as penalties for early termination of a lease, if the Company is reasonably certain to terminate early. If there is a purchase option present, this will be included if the Company is reasonably certain to exercise the option.

The lease liability is measured at amortized cost by using the effective interest rate method.

**Short-term leases and leases for which the underlying asset is of low value**

The Company has elected to apply recognition exemptions for short-term leases and leases for which the underlying asset is of low value, for example office equipment such as printers and computers. 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 2020**2. Accounting policies (continued)****2.9 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.

**2.10 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 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.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL. Trade and other receivables are subject to the expected credit loss model. 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.

**2.11 Financial instruments**

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

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

**Fair value through profit or loss**

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

**Impairment of financial assets**

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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020****2. Accounting policies (continued)****2.11 Financial instruments (continued)****Financial liabilities****Fair value through profit or loss**

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

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through 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.

**2.12 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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

**2.13 Research and development**

Research and development expenditure is charged to the statement of comprehensive income as incurred. Development expenditure is not capitalised as it does not meet the recognition criteria of IAS 38.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)****2.14 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:

- 1 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
- 2 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.

**2.15 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.16 Pensions**

The Company participates in a defined contribution pension scheme operated by its parent. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. The assets of the scheme are held separately from those of the Company in an independently administered fund.

A limited number of employees also participate in a defined benefit pension scheme operated by the Company's parent. Details of this scheme and its assets are disclosed in the annual financial statements of Amcor Flexibles UK Limited, which show that the defined benefit pension scheme has a deficit of £14,100,000 (2019: £25,300,000) (after recognition of the related deferred tax asset of £2,679,000 at 30 June 2020 (2019: £4,301,000)). The deficit is calculated by valuing the scheme assets using market values and the scheme liabilities being measured using a project unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. In accordance with IAS 19, as the defined benefit scheme is recognised in the financial statements of the main sponsoring Company, the Company has accounted for its contributions to its parent's defined benefit scheme as though it were a defined contribution scheme. This is because the underlying assets and liabilities of the scheme cover a number of group companies and it cannot be readily split between group companies on a consistent and reliable basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**2. Accounting policies (continued)**

**2.17 Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Income.

**2.18 Creditors**

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

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

**2.19 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.

**2.20 Dividends**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**3. Critical accounting estimates and judgments**

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

**3.1 Critical accounting estimates and assumptions**

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

**(a) Useful economic lives of freehold buildings, plant and equipment**

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

**(b) Impairment of assets**

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

**(c) 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**

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the group. In the judgement of the directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution pension scheme. See note 1 for further detail.

**(a) Recognition and measurement of asset valuation**

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

**(b) Leases**

The Company has several lease contracts that include extension options. The Company applies judgement in evaluating the lease term, it considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. For leases of premises, the following factors are normally the most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend.
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**3. Judgments in applying accounting policies (continued)**

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew.

**4. Turnover**

Analysis of turnover by country of destination:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	5,430	5,956
Rest of Europe	31,052	31,115
Rest of the world	23,041	18,188
	<u>59,523</u>	<u>55,259</u>

All turnover and profit before taxation originates in the UK and relates to the Company's one class of business, which is the manufacture, sale and distribution of specialised packaging primarily used in the medical sector.

**5. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	493	499
Audit fee	30	23
Depreciation of tangible fixed assets	1,182	780
Amortisation of intangible assets	98	97
Operating lease rentals - plant and machinery	66	232
Exchange differences	(18)	50
Defined benefit pension cost	412	374
Cost of stocks recognised as an expense	32,180	30,312
Impairments in stock	361	192
	<u>361</u>	<u>192</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**6. Employees**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,123	6,560
Social security costs	707	650
Cost of defined benefit scheme	412	374
	<u>8,242</u>	<u>7,584</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Manufacturing	160	152
Administration	23	23
	<u>183</u>	<u>175</u>

**7. Directors' remuneration**

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

**8. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Factoring interest	-	15
Interest on lease liabilities	16	-
	<u>16</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 9. Taxation

	2020 £000	2019 £000
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	44	309
Changes to tax rates	(66)	-
Adjustment in respect of prior periods	(439)	-
<b>Total deferred tax</b>	(461)	309
<b>Taxation on profit</b>	(461)	309

**Factors affecting tax charge for the year**

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

	2020 £000	2019 £000
Profit before tax	5,132	4,060
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	975	771
<b>Effects of:</b>		
Expenses not deductible for tax purposes	23	15
Adjustment to closing deferred tax rate	(439)	(36)
Deferred tax relating to other comprehensive income	65	-
Temporary differences not recognised in the computation	5	-
Remeasurement of deferred tax for changes in tax rates	(66)	-
Group relief	(1,024)	(441)
<b>Total tax charge for the year</b>	(461)	309

The corporation tax payable for the year has been reduced by £1,024,000 (2019 - £441,000) because of group relief claimed from a fellow subsidiary, for which no amount will be paid (2019 - £NIL).

**Factors that may affect future tax charges**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 10. Intangible assets

	Computer software £000
<b>Cost</b>	
At 1 July 2019	1,303
At 30 June 2020	<u>1,303</u>
<b>Amortisation</b>	
At 1 July 2019	1,075
Charge for the year on owned assets	98
At 30 June 2020	<u>1,173</u>
<b>Net book value</b>	
At 30 June 2020	<u>130</u>
At 30 June 2019	<u>228</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 11. Tangible assets

	Freehold land and buildings £000	Plant, machinery, fixtures, fittings and computer equipment £000	Right-of-use assets £000	Total £000
<b>Cost or valuation</b>				
At 1 July 2019	14,809	34,305	-	49,114
Impact of change in accounting policy	-	-	847	847
At 1 July 2019 (adjusted balance)	14,809	34,305	847	49,961
Additions	-	2,566	8	2,574
At 30 June 2020	14,809	36,871	855	52,535
<b>Depreciation</b>				
At 1 July 2019	8,276	25,185	-	33,461
Impact of change in accounting policy	-	-	291	291
At 1 July 2019 (adjusted balance)	8,276	25,185	291	33,752
Charge for the year on owned assets	120	895	-	1,015
Charge for the year on right-of-use assets	-	-	167	167
At 30 June 2020	8,396	26,080	458	34,934
<b>Net book value</b>				
At 30 June 2020	6,413	10,791	397	17,601
At 30 June 2019	6,533	9,120	-	15,653

The net book value of freehold land and buildings at 30 June 2020 includes a value for land of £4,044,000 (2019: £4,044,000) which is not depreciated.

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

	2020 £000	2019 £000
Tangible fixed assets owned	17,204	15,653
Right-of-use tangible fixed assets	398	-
	<u>17,602</u>	<u>15,653</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**11. Tangible assets (continued)**

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

**Net book value**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Plant, property and equipment	371	-
Motor vehicles	17	-
Other	10	-
	<u>398</u>	<u>-</u>

**Depreciation charge for the year ended**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Plant, property and equipment	(147)	-
Motor vehicles	(16)	-
Other	(4)	-
	<u>(167)</u>	<u>-</u>

**Additions to right-of-use assets**

	<b>2020</b>
	<b>£000</b>
Additions to right-of-use assets	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**12. Stocks**

	2020 £000	2019 £000
Raw materials and consumables	2,403	1,897
Work in progress (goods to be sold)	808	876
Finished goods and goods for resale	3,969	3,729
	<u>7,180</u>	<u>6,502</u>

**13. Debtors**

	2020 £000	2019 £000
Trade debtors	6,973	6,442
Amounts owed by group undertakings	28,481	27,778
Other debtors	1,329	1,345
Deferred taxation	580	119
	<u>37,363</u>	<u>35,684</u>

Amounts owed by group undertakings are unsecured, have no fixed repayment date, are recoverable on demand and bear no interest. Trade debtors are stated after provision for impairment of £nil (2019: £nil).

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

	2020 £000	2019 £000
Trade creditors	13,069	11,704
Amounts owed to group undertakings	4,900	3,756
Corporation tax	25	-
Other taxation and social security	176	160
Lease liabilities	168	-
Other creditors	465	5,029
Accruals and deferred income	1,910	1,517
	<u>20,713</u>	<u>22,166</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 15. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Lease liabilities	264	-
	<u>264</u>	<u>-</u>

## 16. Financial instruments

	2020 £000	2019 £000
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>36,783</u>	<u>35,565</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(18,866)</u>	<u>(20,489)</u>

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

Financial liabilities measured at amortised cost comprise of amounts forwarded by debt factor, trade creditors and amounts owed to group undertakings, lease liabilities and other creditors.

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors and creditors. At 30 June 2020 the Company had entered into forward exchange contracts to sell US\$7,900,000 (2019: US\$6,230,000) and receive a fixed sterling amount at various times in the future up to 25 October 2021 (2019: 19 December 2020).

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: USD and GBP: EUR.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 17. Deferred taxation

	2020 £000
At beginning of year	119
Charged to profit or loss	461
<b>At end of year</b>	<b>580</b>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	564	66
Other short-term timing differences	-	14
Derivative financial instruments hedged	81	39
Deferred tax charge in the Statement of Comprehensive Income	(65)	-
	<b>580</b>	<b>119</b>

## 18. Called up share capital

	2020 £000	2019 £000
<b>Authorised, allotted, called up and fully paid</b>		
11,204,002 (2019 - 11,204,002) Ordinary shares of £1 each	<b>11,204</b>	<b>11,204</b>

## 19. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**20. Commitments under operating leases**

At 30 June 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Other - Plant and machinery</b>		
Not later than 1 year	<b>2</b>	<b>219</b>
Later than 1 year and not later than 5 years	<b>3</b>	<b>455</b>
	<u><b>5</b></u>	<u><b>674</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.

**21. Commitments under right of use assets**

Impacts on financial statements

At transition to IFRS 16, the Company recognised an additional £558,000 of right-of-use assets and £596,000 of lease liabilities. The difference between right-of-use assets and lease liabilities refers to the timing difference between minimum lease payments and the financial interest payable under the agreement and straight line depreciation of the right-of-use asset recognised.

The Company discounted lease payments using its incremental borrowing rate at 1 July 2019, the weighted-average rate for the Company was 3.0% at transition. Incremental borrowing rates are set for country and maturity. The effect on the Balance Sheet at 1 July 2019 on adoption of IFRS 16 was:

	<b>£000</b>
Other property, plant and equipment	<b>558</b>
Interest bearing loans and borrowings, non current	<b>(425)</b>
Interest bearing loans and borrowings, current	<b>(171)</b>
Reserve impact in relation to adoption of IFRS 16	<b>39</b>
	<u><b>-</b></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**Commitments under right of use assets (continued)**

The table below presents the difference between operating lease commitments under IAS 17 at 30 June 2019 and the initial application for lease liabilities under IFRS 16, discounted using the incremental borrowing rate at 1 July 2019

	£000
Operating lease commitments at 30 June 2019	674
Discounting effect	(78)
<b>Operating lease commitment discounted using the incremental borrowing rate</b>	<b>596</b>
Lease liabilities according to IFRS 16 at 1 July 2019	596

Recognised depreciation of right-of-use assets instead of minimum lease payments had a small positive impact on operating profit. Interest on lease liabilities had a small negative impact on net financial items.

Since the principal payment is recognised as financing activities, cash flow from financing activities decreased with a corresponding increase in cash flow from operating activities. The interest portion of the lease payment remains as cash flow from operating activities and is included in net financial items paid.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020 £000	2019 £000
Interest expense on lease liabilities	16	-
Depreciation on right-of-use assets	167	-

**22. Security**

The Company participates in a group cash pooling arrangement between the banking providers and other members of the Amcor group. All members of the group cash pool arrangement are jointly and severally liable for any payment default. As at 30 June 2020, the cash pool was in a positive net position of €25,033,000 (2019: €34,000,000 deficit).

**23. Ultimate parent undertaking and controlling party**

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

Amcor Plc is the ultimate parent and controlling party, incorporated in Jersey, Channel Islands which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of Amcor Plc consolidated financial statements can be obtained from the group's website at [www.amcor.com/investors](http://www.amcor.com/investors).