

Registered number: 3051270

**AFP (EUROPE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

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COMPANIES HOUSE

**AFP (EUROPE)**

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**AFP (EUROPE)**

**COMPANY INFORMATION**

<b>Directors</b>	C Cheetham M Burrows D Clayton
<b>Registered number</b>	3051270
<b>Registered office</b>	83 Tower Road North Warmley Bristol BS30 8XP
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**Business review and future developments**

The principle activity of the Company is an intermediate holding company within the Amcor Group of Companies, a leading global organisation in the design, manufacture and printing of flexible packaging. The Company is not required to prepare consolidated financial statements as is exempt under section 401 of the Companies Act 2006 as a wholly owned subsidiary of Amcor Plc which has prepared consolidated financial statements for the year to 30 June 2021.

The profit for the financial year totalled €309,994,000 (2020: €282,228,000). Net assets were €244,979,000 (2020: €2,168,198,000). The Company's directors do not believe that key performance indicators or a discussion thereof are required in order to understand the development or performance of the company.

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 greater recycled content. Business issues impacting the Amcor Group of Companies have been disclosed in the Amcor Plc Annual Report which does not form part of this report.

The Company looks forward to the 2022 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. Whilst no material change in the Company's business and profitability are expected in the next financial year actual results could differ materially due to a number of risks and uncertainties.

**Principal risks and uncertainties**

The Company manages the risks and uncertainties as an integral member of the Amcor Group of Companies and can be impacted by numerous factors across its group undertakings, including the holding of investments and amounts owed by group undertakings. The Directors are satisfied that the value of the investments are supported by the underlying value there is a risk that the book value may become impaired.

**Global Health Outbreaks**

Our business and financial results may be negatively impacted by outbreaks of contagious diseases, including the ongoing outbreak of the COVID-19 that was first detected in Wuhan, China in December 2019. As a result of the COVID-19 outbreak, governmental authorities have implemented, and are continuing to implement, numerous and constantly evolving measures to try to contain the virus, such as: travel bans and restrictions; limitations on gatherings; quarantines; shelter-in-place orders; and business shutdowns. Measures providing for business shutdowns generally exclude essential services and the critical infrastructure supporting the essential services. We have experienced minimal disruptions to our operations to date as we have largely been deemed as providing essential services.

We continue to believe we are well-positioned to meet the challenges of the ongoing COVID-19 pandemic. However, we cannot reasonably estimate the duration and severity of this pandemic or its ultimate impact on the global economy and our operations and financial results. Recent outbreaks of variants of the virus have resulted in increased government actions to contain the pandemic. The ultimate near-term impact of the pandemic on our business will depend on the extent and nature of any future disruptions across the supply chain, the duration of social distancing measures and other government imposed restrictions, as well as the nature and pace of macroeconomic recovery in key global economies.

**Financial risk management**

The Company's principal financial assets are bank balances 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.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Section 172 (1) Statement of Directors' duties**

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

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and 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. As an intermediate holding company the Board meet on a periodic basis to consider the key decisions arising mainly concerning the financial performance of the Company and to implement the strategic direction as provided by the Amcor Group, for example considering the financial statements and dividends.

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

**Employees**

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

**Suppliers, customers and others**

The Company's principal activity is that of an intermediate holding company of the Amcor Group and consequently has a restricted number of stakeholders, principally its shareholders and/or financial institutions. However, the Directors, as members of the group, recognise the beneficial relationship of working collaboratively with financial institutions, advisors and across the Amcor Group of Companies. 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 the environment**

The Directors sought to minimise any detrimental impact the Company's operations may have on the environment through energy efficiency initiatives, reducing waste and recycling. 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

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

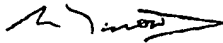
Foundation in collaboration with the United Nations Environment Programme.

**Business conduct**

The Company aims to conduct all its business relationships with integrity, courtesy and fulfil each business agreement and act fairly across key stakeholders of the Company.

The Directors of the Company are aligned with maintaining the high standards of governance and the aspiration to be the leading packaging group 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 the group strategy of generating strong cash flow and supporting shareholder value creation which the Directors believe to be entirely consistent with the requirements of Section 172 (1) and best support the strategy of the Company across the differing stakeholder interests.

This report was approved by the board on 17 December 2021 and signed on its behalf.



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

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their annual report and audited financial statements for the year ended 30 June 2021.

**Results and dividends**

The profit for the year, after taxation, amounted to €309,994,000 (2020: €282,228,000).

The Company declared ordinary share dividends during the year of €2,233,213,000 (2020: €282,234,000) of which €260,000,000 was declared 26 October 2020 and settled in cash; €50,000,000 was declared 02 March 2021 and settled in cash; and €1,923,213,498 was declared 31 May 2021 and settled in specie as shares in a subsidiary entity. The Directors do not recommend that a final dividend be paid.

On 27 May 2021, a special resolution was passed to reduce the nominal value of the Company's 1,914,844,085 EUR ordinary shares from €1.00 to €0.01, with the total nominal value reduction of €1,895,695,644 added to distributable reserves.

During the year, the Company disposed of the investment in Amcor Holding by way of a dividend distribution to its parent entity.

**Directors**

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

C Cheetham  
M Burrows  
D Clayton

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

The directors are responsible for preparing the Annual report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law). 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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2021**

**Disclosure of information to auditors**

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

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

**Streamlined energy and carbon reporting**

The Company is a non operating intermediate holding company and the consumption of energy from gas, electricity and transport fuel is less than 40 MWh. The Company is therefore exempt from disclosure requirements concerning streamlined energy and carbon reporting, under paragraph 20D (7) of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

**Engagement with employees**

The only employees of the Company are the Directors. 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.

**Future developments**

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

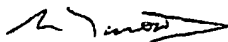
**Subsequent events**

The Company has conducted an assessment of any other events after the balance sheet date and concluded that no other material events have occurred which required 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.



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**M Burrows**  
Director

Date: 17 December 2021



# Independent auditors' report to the members of AFP (Europe)

## Report on the audit of the financial statements

### Opinion

In our opinion, AFP (Europe)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 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 2021; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Reporting on other information**

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

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

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

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

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

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

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK taxation 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 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 posting inappropriate journal entries to improve the reported results. 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; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

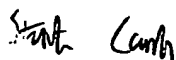
## Other required reporting

### 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

20 December 2021

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Note</b>	<b>2021 €000</b>	<b>2020 €000</b>
Income from fixed assets investments	5	310,000	282,234
Interest payable and similar expenses	6	(6)	(6)
<b>Profit before tax</b>		<u>309,994</u>	<u>282,228</u>
<b>Profit for the financial year</b>		<u>309,994</u>	<u>282,228</u>
<b>Total comprehensive income for the year</b>		<u>309,994</u>	<u>282,228</u>


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

The notes on pages 13 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Note	2021 €000	2020 €000
<b>Fixed assets</b>			
Investments	9	1	1,923,214
		<u>1</u>	<u>1,923,214</u>
<b>Current assets</b>			
Debtors	10	245,660	245,660
		<u>245,660</u>	<u>245,660</u>
Creditors: amounts falling due within one year	11	(682)	(676)
<b>Net current assets</b>		<u>244,978</u>	<u>244,984</u>
<b>Total assets less current liabilities</b>		<u>244,979</u>	<u>2,168,198</u>
<b>Net assets</b>		<u>244,979</u>	<u>2,168,198</u>
<b>Capital and reserves</b>			
Called up share capital	13	129,821	2,025,517
Other reserves		5,332	5,332
Retained earnings		109,826	137,349
<b>Total shareholders' funds</b>		<u>244,979</u>	<u>2,168,198</u>

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

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

Date: 17 December 2021

The notes on pages 13 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital €000	Other reserves €000	Retained earnings €000	Total shareholders' funds €000
<b>At 1 July 2019</b>	<b>2,025,517</b>	<b>5,332</b>	<b>137,355</b>	<b>2,168,204</b>
Total comprehensive income	-	-	282,228	282,228
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>282,228</b>	<b>282,228</b>
Dividends: Equity capital	-	-	(282,234)	(282,234)
<b>At 1 July 2020</b>	<b>2,025,517</b>	<b>5,332</b>	<b>137,349</b>	<b>2,168,198</b>
Total comprehensive income	-	-	309,994	309,994
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>309,994</b>	<b>309,994</b>
Dividends: Equity capital	-	-	(2,233,213)	(2,233,213)
Share capital reduction	(1,895,696)	-	1,895,696	-
<b>At 30 June 2021</b>	<b>129,821</b>	<b>5,332</b>	<b>109,826</b>	<b>244,979</b>

The notes on pages 13 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. General information**

The Company is a private unlimited company and is incorporated and domiciled in England and Wales. The address of its registered office is 83 Tower Road North, Bristol, BS30 8XP.

The Company acts as an intermediate holding company for investments in subsidiary undertakings.

**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 group 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;
- 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****2. Accounting policies (continued)****2.4 Going concern**

The financial statements of the Company have been prepared on a going concern basis. The Company has received a letter of support from Amcor Plc and the Directors are satisfied that Amcor Plc will continue to have access to adequate liquidity and resources for the foreseeable future within its subsidiaries, including the Company. 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.

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

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

**2.6 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.

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 2021 no debtor balance has been assessed under the general approach.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**2. Accounting policies (continued)**

**2.7 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.

**2.8 Trade and other payables**

These amounts represent unsecured liabilities for goods and services provided to the group 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.

**2.9 Financial instruments**

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

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

**Fair value through profit or loss**

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

**Debt instruments at amortised cost**

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

**Impairment of financial assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**2. Accounting policies (continued)**

**2.9 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.

**2.10 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is Euros.

**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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

The local currency of the Company is determined to be Euros and the exchange rate at the year end date was €1 = £0.8594 (2020: £0.914).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**2. Accounting policies (continued)**

**2.11 Finance costs**

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

**2.12 Dividends**

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

**2.13 Borrowing costs**

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

**2.14 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a change 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**3. Critical accounting estimates and judgments**

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

**1. Critical accounting estimates and assumptions**

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**

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.

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

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

**(a) Valuation of investments**

The Company follows the guidance of IAS 36 to determine whether an investment is impaired. This determination requires significant judgement. In making the judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

**(b) 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.

**4. Operating profit**

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

During the current and prior year there were no employees other than the directors.

Auditors' remuneration of €6,394 (2020: €11,500) was borne by a fellow subsidiary in the current and prior year and has not been recharged to the Company.

**AFP (EUROPE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**5. Income from shares in group undertakings**

	2021 €000	2020 €000
Income from shares in group undertakings	(310,000)	(282,234)
	<u>(310,000)</u>	<u>(282,234)</u>

**6. Interest payable and similar expenses**

	2021 €000	2020 €000
Bank interest payable	6	6
	<u>6</u>	<u>6</u>

**7. Tax on profit**

	2021 €000	2020 €000
Current tax		
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**7. Tax on profit (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 €000	2020 €000
Profit on ordinary activities before tax	309,994	282,228
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	58,899	53,623
Effects of:		
Non-taxable dividend income	(58,900)	(53,624)
Group relief	1	1
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

The Company surrendered tax losses with a value of €1,000 (2020: €1,000) to other group companies for which no consideration will be received (2020: €NIL).

**Factors that may affect future tax charges**

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

**8. Dividends**

	2021 €000	2020 €000
Dividends: Equity capital	2,233,213	282,234
	<b>2,233,213</b>	<b>282,234</b>

During the year interim dividends were declared on 26 October 2020 of €260,000,000 and 2 March 2021 of €50,000,000 and settled in cash. On 31 May 2021 a dividend in specie was declared being settled in shares in subsidiary company Amcor Holding to the value of €1,923,213,498.

No further dividends have been declared.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**9. Investments**

	<b>Investments in subsidiary companies €000</b>
<b>Cost or valuation</b>	
At 1 July 2020	2,114,464
Disposals	(1,923,213)
	<hr/>
At 30 June 2021	191,251
	<hr/>
<b>Impairment</b>	
At 1 July 2020	191,250
	<hr/>
At 30 June 2021	191,250
	<hr/>
<b>Net book value</b>	
At 30 June 2021	1
	<hr/>
At 30 June 2020	1,923,214
	<hr/>

During the year, the Company disposed of the investment in Amcor Holding by way of a dividend distribution to its parent entity (note 8).

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. There was no indication of impairment of the carrying value of the investments in the current or prior year.

The Directors consider the value of the investment to be supported by its underlying net assets.

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Romca Holdings UK Limited	83 Tower Road North, Warmley, Bristol, BS30 8XP	Ordinary	100%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**10. Debtors**

	2021 €000	2020 €000
Amounts owed by group undertakings	245,660	245,660
	<u>245,660</u>	<u>245,660</u>

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

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses an annual expected loss allowance for all trade and other receivables including amounts owed by group undertakings. This has not had a material impact on the financial statements.

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

	2021 €000	2020 €000
Bank overdrafts	682	676
	<u>682</u>	<u>676</u>

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

**12. Financial instruments**

	2021 €000	2020 €000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>245,660</u>	<u>245,660</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(682)</u>	<u>(676)</u>

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of bank overdrafts and amounts owed to group undertakings.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**13. Called up share capital**

	2021 €000	2020 €000
<b>Allotted, called up and fully paid</b>		
71,321,017 (2020: 71,321,017) ordinary shares of £1.00 each	110,673	110,673
1,914,844,085 (2020: 1,914,844,085) ordinary shares of €0.01 (2020: €1.00) each	19,148	1,914,844
	<u>129,821</u>	<u>2,025,517</u>

Each type of ordinary share is entitled to one vote and are not redeemable. The ordinary shares rank pari passu in all respects.

On 27 May 2021, a special resolution was passed to reduce the nominal value of the Company's 1,914,844,085 EUR ordinary shares from €1.00 to €0.01, with the total nominal value reduction of €1,895,695,644 added to distributable reserves.

**14. 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 2021, the cash pool was in a negative net position of €18,092,000 (2020: €25,033,000 positive).

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

The immediate parent undertaking is Containers Packaging (Europe) 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).