Registered number: 04227427

AMCOR HOLDING NO.1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS

COMPANY INFORMATION

Directors	C Cheetham R Dixon (resigned 15 April 2019) M Watts (resigned 28 September 2018) C Smith (resigned 11 March 2019) M Burrows (appointed 28 September 2018) D Clayton (appointed 25 February 2019)
Registered number	04227427
Registered office	83 Tower Road North Bristol BS30 8XP

Business review and future developments

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

During the year the Company saw income from shares in group undertakings fall to €123,031,000 (2018 €207,882,000). This saw Profit before tax decline to €126,154,000 (2018 €208,998,000) with shareholder funds up marginally at €261,529,000 (2018 €257,553,000) as the company monitors its financial health as an intermediate holding company.

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

The Company looks forward to the 2020 financial year with clear priorities, to keep co-workers safe, offer value to customers and execute effectively in areas under our control. As a result, no material change in the Company's business and profitability are expected in the next financial year although will ultimately depend on the strategic choices available to the Group.

Principal risks and uncertainties

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

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

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

Financial risk management

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

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

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

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

Financial and non-financial key performance indicators

	2019	*2018*
	€000	*€000*
Financial key performance indicators		
Profit before Taxation	**126,154**	*208,998*
Non-financial key performance indicators		
	Percentage	*Percentage*
Return on shares in group undertakings	**439.4%**	*742.4%*

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

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M Burrows
Director

Date: 18 June 2020

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

Results and dividends

The profit for the year, after taxation, amounted to €126,154,000 *(2018 - €208,998,000)*.

The Company paid a dividend during the year of €123,142,000 *(2018 - €220,882,000)*. Interim dividends were declared of €108,960,000 on 7 November 2019 and €10,000,000 on 28 January 2020. The directors do not propose a further dividend.

Directors

The directors who served during the year were:

C Cheetham
R Dixon (resigned 15 April 2019)
M Watts (resigned 28 September 2018)
C Smith (resigned 11 March 2019)
M Burrows (appointed 28 September 2018)
D Clayton (appointed 25 February 2019)

Subsequent events

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

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

Future developments

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

Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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.

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: 18 June 2020

Independent auditors' report to the members of Amcor Holding No.1 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Amcor Holding No.1 Limited's financial statements:

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

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

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

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.

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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. 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 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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 €000	*2018* *€000*
Administrative expenses		**(246)**	*(2,429)*
Other operating income		**116**	*-*
Operating loss	4	**(130)**	*(2,429)*
Income from shares in group undertakings		**123,031**	*207,882*
Interest receivable and similar income	5	**3,757**	*3,704*
Interest payable and similar expenses	6	**(497)**	*(139)*
Other finance costs	7	**(7)**	*(20)*
Profit before tax		**126,154**	*208,998*
Tax on profit	8	**-**	*-*
Profit for the financial year		**126,154**	*208,998*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit schemes		**964**	*190*
		964	*190*
Total comprehensive income for the year		**127,118**	*209,188*

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note		2019 €000		2018 €000
Investments	10		**28,001**		*28,001*
			28,001		*28,001*
Current assets					
Debtors	11	**299,180**		*299,137*	
		299,180		*299,137*	
Creditors: amounts falling due within one year	12	**(66,518)**		*(68,894)*	
Net current assets			**232,662**		*230,243*
Total assets less current liabilities			**260,663**		*258,244*
Net assets excluding pension liability/asset			**260,663**		*258,244*
Pension asset/liability	14		**866**		*(691)*
Net assets			**261,529**		*257,553*
Capital and reserves					
Called up share capital	16		**242,977**		*242,977*
Other reserves			**359**		*359*
Retained earnings			**18,193**		*14,217*
			261,529		*257,553*

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

....
M Burrows
Director

Date: 18 June 2020

The notes on pages 11 to 24 form part of these financial statements.

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

	Called up share capital	Other reserves	Retained earnings	Total shareholders' funds
	€000	€000	€000	€000
At 1 July 2018	242,977	359	14,217	257,553
Comprehensive income for the financial year				
Profit for the financial year	-	-	126,154	126,154
Actuarial gains on pension scheme	-	-	964	964
Dividends: Equity capital	-	-	(123,142)	(123,142)
At 30 June 2019	242,977	359	18,193	261,529

30 JUNE 2018

	Called up share capital	Other reserves	Retained earnings	Total shareholders' funds
	€000	€000	€000	€000
At 1 July 2017	242,977	359	25,911	269,247
Comprehensive income for the financial year				
Profit for the financial year	-	-	208,998	208,998
Actuarial gains on pension scheme	-	-	190	190
Dividends: Equity capital	-	-	(220,882)	(220,882)
At 30 June 2018	242,977	359	14,217	257,553

The notes on pages 11 to 24 form part of these financial statements.

1. General information

Amcor Holding No.1 is a 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 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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

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

The 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.

2. Accounting policies (continued)

2.3 New standards and interpretations, and interpretations not yet applied

During the year the Company adopted IFRS 9 'Financial Instruments', the main impact of this standard being the impairment assessment methodology used to value trade and other receivables. The Company considered a number of scenarios in calculating the expected credit losses to be provided for, along with considering the classification and measurement of its financial assets.

The adoption of IFRS 9 and IFRS 15 did not materially affect the amounts recognised in the financial statements. There were a number of other amendments to existing standards and interpretations that were effective for the current period, but none of these has a material impact on the Company.

IFRS 16 'Leases' will be effective for the year ended 30 June 2020 and is unlikely to have a material impact as the Company does not currently hold any lease assets.

2.4 Going concern

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

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The directors perform an annual impairment assessment and where a potential exposure is identified. To assess the carrying value of the investments the directors have considered the underlying net asset values and future earnings where appropriate. Any impairment recognised is taken to the Statement of Comprehensive Income. Where the directors become aware that the circumstances that gave rise to a previous impairment are no longer applicable the impairment is reversed. The credit is recognised in the Statement of Comprehensive Income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

2.7 Financial instruments

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

Financial assets

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

Loans and receivables

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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

Financial liabilities

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

At amortised cost

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

2.8 Creditors

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

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

2.9 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.

2.10 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.

2.11 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. Accounting policies (continued)

2.12 Pensions

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euros and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

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

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

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.13 Interest income

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

2.14 Borrowing costs

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

2. Accounting policies (continued)

2.15 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.

2.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into Euros at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

The local currency of the Company is determined to be Euros and the exchange rate at the balance sheet date was €1 = £0.8815 *(2018 - £0.8841)*.

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 has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

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

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

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

4. Operating loss

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

	2019	2018
	€000	€000
Exchange differences	(116)	(1)

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, the above details include no emoluments in respect of the directors.

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

Auditors' remuneration of €13,443 *(2018 - €11,310)* relating to audit fees only was borne by its fellow subsidiary and has not been recharged to the Company.

5. Interest receivable and similar income

	2019	2018
	€000	€000
Interest receivable from group companies	3,757	3,704
	3,757	3,704

6. Interest payable and similar expenses

	2019	2018
	€000	€000
Bank interest payable	491	133
Loans from group undertakings	6	6
	497	139

7. Other finance costs

	2019	2018
	€000	€000
Expected return on pension scheme assets	464	453
Interest on pension scheme liability	(471)	(473)
	(7)	(20)

8. Tax on profit

	2019 €000	*2018 €000*
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on profit	-	-

Factors affecting tax charge for the year

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

	2019 €000	*2018 €000*
Profit before taxation	**126,153**	*208,998*
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**23,969**	*39,710*
Effects of:		
Non deductible expenditure	**48**	*23*
Non-taxable income	**(21)**	*(19)*
Non taxable dividend income	**(23,376)**	*(39,498)*
Group relief	**(620)**	*(216)*
Total tax charge for the year	-	-

The corporation tax payable for the year has been decreased by €620,000 (2018: €216,000) because of group relief surrendered by a fellow subsidiary for which no payment will be made (2018: €Nil).

Factors that may affect future tax charges

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

9. Dividends

	2019 €000	*2018 €000*
Dividends paid on ordinary share capital	**123,142**	*220,882*
	123,142	*220,882*

Interim dividends were declared of €108,960,000 on 7 November 2019 and €10,000,000 on 28 January 2020.

10. Investments

	Investments in subsidiary companies €000
Cost or valuation	
At 1 July 2018	**32,581**
At 30 June 2019	**32,581**
Impairment	
At 1 July 2018	**4,580**
At 30 June 2019	**4,580**
Net book value	
At 30 June 2019	**28,001**
At 30 June 2018	*28,001*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Amcor Group GmbH	Ordinary	100 %	Services company
Amcor Flexibles Sweden AB	Ordinary	100 %	Dormant Company
Pet Envases de Venezuela, S.A.	Ordinary	100 %	Dormant Company
Envases PlastiResin de Venezuela	Ordinary	100 %	Dormant Company
Amcor Rigid Plastics (Barbados) Limited	Ordinary	51 %	Dormant Company
Amcor Specialty Cartons Izmir Gravur Baski Sanayi Ve Ticaret A.S.	Ordinary	100 %	Manufacturing Company
Amcor Rigid Plastics de Venezuela SA	Ordinary (classes A & B)	61 %	Manufacturing Company

10. Investments (continued)

Discma AG	Ordinary	100 %	Services Company

The directors assess the underlying performance of Amcor Flexibles Novgorod LLC on a continuing basis although the investment remains impaired. The directors consider the value of the other investments to be supported by their underlying assets.

The registered offices of the Company's subsidiaries are:

Amcor Flexibles Novgorod LLC - 9 Rabochaya Street, 173008 Veliky, Novgorod, Russia

Amcor Group GmbH - Thurgauerstrasse 34, 8050, Zurich, Switzerland

Amcor Flexibles Sweden AB - Hanögatan 11, SE-211 24, Malmö, Sweden

Pet Envases de Venezuela, S.A. - Avenida Iribarren Borges, Zona Industrial Sur, Parcela 7-11, Parroquia Rafael Urdaneta, Valencia, Estado Carabobo, Venezuela

Envases PlastiResin de Venezuela - Calle Este Oeste 5 C/C AV. Norte Sur 5 edif. Amcor, piso PB, Of Adm. Zona Industrial Municipal Norte Valencia, Estado Carabobo, Venezuela

Amcor Rigid Plastics (Barbados) Limited - Parker House, Wildey Business Park, Wildey Road, St. Michael, Barbados

11. Debtors

	2019 €000	*2018* *€000*
Due after more than one year		
Amounts owed by group undertakings	**297,293**	*297,293*
Due within one year		
Amounts owed by group companies	**1,887**	*1,844*
	299,180	*299,137*

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

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.

12. Creditors: Amounts falling due within one year

	2019 €000	*2018 €000*
Bank overdrafts	**54,663**	*53,959*
Amounts owed to group undertakings	**11,603**	*14,787*
Other creditors	**11**	*12*
Accruals and deferred income	**241**	*135*
	66,518	*68,893*

The overdraft is unsecured, repayable on demand and interest is payable at various rates. See note 15 for details of the security in place in respect of the group cash pooling arrangement in which the Company participates.

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

13. Financial instruments

	2019 €000	*2018 €000*
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**299,180**	*299,137*
Financial liabilities		
Financial liabilities measured at amortised cost	**(66,518)**	*(68,893)*

Financial assets measured at amortised cost comprise of amounts owed by group undertakings. They are unsecured, have no fixed repayment date and bear interest at various rates.

Financial liabilities measured at amortised cost comprise bank overdrafts, amounts owed to group undertakings, other creditors and accruals and deferred income.

14. Pension commitments

The Company operates a Defined benefit pension scheme.

Following the closure of Amcor Flexibles Dublin Limited's Dublin Plant on 25 February 2011, Amcor Holding No. 1 Limited was appointed as the new Principal Employer of the Amcor Pension Scheme (Ireland) with effect from 31 December 2011. Effective from the same date, Amcor Holding No. 1 Limited entered into a Funding Agreement thereby undertaking to provide future deficit repair payments in accordance with the Funding Proposal dated 20 October 2009.

The pension scheme is closed to new members and future accrual. Pension costs are charged to operating expenses and other finance income in accordance with FRS 101 with actuarial gains and losses being recognised in the statement of total recognised gains and losses.

An enhanced transfer value exercise was undertaken during 2017 whereby the Company offered deferred

14. Pension commitments (continued)

members of the Company's pension scheme the option to take a transfer of their benefit entitlement out of the scheme to another approved pension arrangement on enhanced terms.

A full actuarial valuation of the plan was carried out on 1 January 2019.

The risks of the scheme are as follows:

(a) Asset volatility

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

(b) Changes in bond yields

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

(c) Life expectancy

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

(d) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Reconciliation of present value of plan liabilities:

	2019 €000	*2018 €000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**(28,089)**	*(28,159)*
Current service cost	**(100)**	*(100)*
Interest expense	**(471)**	*(473)*
Actuarial gains/(losses)	**366**	*(426)*
Benefits paid	**944**	*1,069*
At the end of the year	**(27,350)**	*(28,089)*

14. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2019	*2018*
	€000	*€000*
Opening fair value of scheme assets	**27,398**	*26,697*
Interest income on plan assets	**464**	*453*
Actuarial gains	**598**	*616*
Employer contributions	**700**	*700*
Benefits paid	**(944)**	*(1,068)*
At the end of the year	**28,216**	*27,398*

Composition of plan assets:

	2019	*2018*
	€000	*€000*
Equities	**3,830**	*3,722*
Bonds	**19,387**	*18,441*
Hedge funds and commodities	**5,061**	*4,818*
Cash and cash equivalents	**(61)**	*417*
Total plan assets	**28,217**	*27,398*

	2019	*2018*
	€000	*€000*
Fair value of plan assets	**28,217**	*27,398*
Present value of plan liabilities	**(27,351)**	*(28,089)*
Net pension scheme asset/(liability)	**866**	*(691)*

The amounts recognised in profit or loss are as follows:

	2019	*2018*
	€000	*€000*
Administration costs	**(100)**	*(100)*
Interest on pension scheme liabilities	**(471)**	*(473)*
Expected return on plan assets	**464**	*453*
Total	**(107)**	*(120)*

14. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was €11,686,000 *(2018 - €12,650,000).*

The Company expects to contribute €NIL to its Defined benefit pension scheme in 2020.

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

	2019	*2018*
	%	*%*
Discount rate	**1.4**	*1.7*
Future pension increases	**1.75**	*1.75*
Inflation assumption	**1.75**	*1.75*
Mortality rates		
- at 65 for a male aged 50 now	**23.1**	*23.1*
- at 65 for a female aged 50 now	**25.3**	*25.3*

Mortality tables used:

Males - 58% ILT15 plus 0.3% p.a. annuity loading for each year from 2014 to Normal Retirement Date
Females - 62% ILT15 plus 0.25% p.a. annuity loading for each year from 2014 to Normal Retirement Date

Sensitivity analysis of plan liabilities:

A 25bp increase in the discount rate will decrease plan liabilities by €1.2m.
A 25bp decrease in the discount rate will increase plan liabilities by €1.3m.

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

Defined benefit pension schemes

	2019	*2018*	*2017*	*2016*	*2015*
	€000	*€000*	*€000*	*€000*	*€000*
Defined benefit obligation	**(27,350)**	*(28,089)*	*(28,159)*	*(42,411)*	*(35,651)*
Scheme assets	**28,217**	*27,398*	*26,697*	*33,571*	*32,664*
Surplus/(deficit)	**867**	*(691)*	*(1,462)*	*(8,840)*	*(2,987)*
Experience adjustments on scheme liabilities	**(1,865)**	*426*	*1,147*	*1,064*	*666*
Experience adjustments on scheme assets	**598**	*616*	*179*	*553*	*2,354*

15. 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 2019, the cash pool was in a net deficit position of €34,000,000 (2018: €62,700,000).

16. Called up share capital

	2019	*2018*
	€000	*€000*
Allotted, called up and fully paid		
242,977,000 *(2018 - 242,977,000)* ordinary shares of €1 each	**242,977**	*242,977*

The shares rank equally and entitle the holder to one vote in respect of each share held.

17. Ultimate Parent Undertaking and Controlling Party

The immediate parent undertaking is Amcor Holding registered in England and Wales.

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