

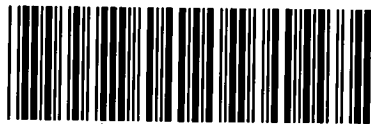
Registered number: 2808801

AMCOR FLEXIBLES UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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COMPANY INFORMATION

Directors

C Cheetham
P Courtney
P Zaniewski (resigned 5 June 2018)
M Suitor
M Watts (resigned 28 September 2018)
D Weetman (appointed 5 June 2018)
M Burrows (appointed 28 September 2018)

Registered number

2808801

Registered office

Amcor Central Services Bristol
83 Tower Road North
Warmley
Bristol
BS30 8XP

Business review and future developments

During the year the Company saw modest sales growth, whilst maintaining its gross margin.

An operating profit was recorded in the year following continued administration cost reduction initiatives.

The Company recorded a profit for the financial year of £10.9m, which includes the receipt of a dividend of £10m from its subsidiary, Amcor Flexibles Winterbourne Limited.

The financial position of the Company has strengthened, reflecting the reduction in the defined benefit pension liability, and as a result, net assets have increased from £12.0m to £36.1m.

No material change in the Company's business and profitability are expected in the next financial year.

As can be seen below the business maintained its excellent safety statistics in the year.

Principal risks and uncertainties and 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.

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

The vast majority of the Company's business is in the UK, but the Company also has overseas business, and as a result is exposed to movements in exchange rates. The currency risk is managed by entering into forward contracts for key foreign currencies, which fix a significant proportion of these exposures, thereby giving certainty over a substantial part of the company's income stream and costs. The value of forward contracts is immaterial in the financial statements of Amcor Flexibles UK Limited. The Company does not enter into speculative financial instruments.

The company is a wholly owned indirect subsidiary of Amcor Limited ("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).

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

Financial and non-financial key performance indicators

	2018 £000	2017 £000
Financial key performance indicators		
Turnover	117,095	106,354
Gross profit	23,310	20,685
Margin	19.9%	19.4%
Operating profit/(loss) before exceptional items	2,409	(453)
Operating profit/(loss)	2,409	647
As a % of turnover	2.1%	0.6%
Profit for the financial year	10,944	1,013
Non-financial key performance indicators		
	Number	Number
Number of employees	510	524
Number of workplace accidents requiring medical treatment:		
- With loss of production time	3.0	1.0
- Loss time injury frequency rate	3.02	0.97
- With no loss of production time	0.0	0.0
- Recordable case time frequency rate	0.0	0.0

This report was approved by the board on 23 November 2018 and signed on its behalf.

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C Cheetham
 Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their report and the audited financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

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

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), comprising 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, comprising 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.

Results and dividends

The profit for the financial year, after taxation, amounted to £10,944,000 (2017 - £1,013,000).

The company paid a dividend during the year of £NIL (2017 - £NIL).

Directors

The directors who served during the year were:

C Cheetham
P Courtney
P Zaniewski (resigned 5 June 2018)
M Suitor
M Watts (resigned 28 September 2018)
D Weetman (appointed 5 June 2018)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

Future developments and financial risk management

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

Research and development activities

Research and development costs incurred during the year amounted to £1,835,000 (2017 - £1,689,000). In accordance with the accounting policy described in note 1 to the financial statements, all costs have been included in the Statement of comprehensive income for the year.

Employee involvement

It is the policy of the Company to encourage the employment and development of suitable people 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.

Employees are provided with information on matters of concern to them, principally through the management structure and notice boards. Views of employees are sought as appropriate through the management structure.

Disabled employees

Full and fair consideration will be given to applicants with disabilities for employment, and existing employees who become disabled will have the opportunity to retrain and continue in employment.

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.

Subsequent events

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

On 6 August 2018, Amcor Limited, the Company's ultimate parent, announced that it had entered into a definitive agreement under which it will acquire Bemis Company, Inc. in an all-stock combination.

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 on 23 November 2018 and signed on its behalf.


C Cheetham
Director

Independent auditors' report to the members of Amcor Flexibles UK Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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 2018; 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 when:

- 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 2018 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 on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

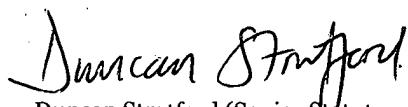
Other required reporting

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

23 November 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £000	2017 £000
Turnover	4	117,095	106,354
Cost of sales		(93,785)	(85,669)
Gross profit		23,310	20,685
Distribution costs		(3,808)	(3,402)
Administrative expenses		(17,774)	(17,965)
Exceptional administrative income	5	-	1,100
Other operating income	6	681	229
Operating profit	7	2,409	647
Income from shares in group undertakings	10	10,000	-
Interest receivable and similar income	11	16	20
Interest payable and similar expenses	12	(15)	(9)
Other finance expense	13	(1,000)	(1,100)
Profit/(loss) before taxation		11,410	(442)
Tax on profit/(loss)	14	(466)	1,455
Profit for the financial year		10,944	1,013
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit schemes		15,760	(8,250)
Movements of deferred tax relating to pension surplus		(2,679)	591
		13,081	(7,659)
Items that may subsequently be transferred to profit or loss:			
Changes in fair value of cash flow hedges		12	(121)
Tax relating to components of other comprehensive income		-	22
Other comprehensive income/(expense) net of tax		13,093	(7,758)
Total comprehensive income/(expense) for the year		24,037	(6,745)

The notes on pages 11 to 35 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	15	41	591
Tangible assets	16	23,394	24,885
Investments	17	17,631	17,631
Deferred tax asset		8,395	11,540
		<u>49,461</u>	<u>54,647</u>
Current assets			
Stocks	19	13,584	13,993
Debtors		72,141	28,065
Cash at bank and in hand	21	20,175	14,479
		<u>105,900</u>	<u>56,537</u>
Creditors: amounts falling due within one year	22	(97,393)	(55,953)
Net current assets		<u>8,507</u>	<u>584</u>
Total assets less current liabilities		<u>57,968</u>	<u>55,231</u>
Pension liability	25	(21,900)	(43,200)
Net assets		<u><u>36,068</u></u>	<u><u>12,031</u></u>
Capital and reserves			
Called up share capital	24	60,719	60,719
Hedging reserve	28	(11)	(23)
Accumulated losses	28	(24,640)	(48,665)
Total shareholders' funds		<u><u>36,068</u></u>	<u><u>12,031</u></u>

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

.....
C Cheetham
Director

Date: 23 November 2018

The notes on pages 11 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital	Hedging reserve	Accumulated losses	Total shareholders' funds
	£000	£000	£000	£000
At 1 July 2017	60,719	(23)	(48,665)	12,031
Comprehensive (expense)/income for the financial year				
Profit for the financial year	-	-	10,944	10,944
Actuarial gains on pension scheme net of deferred tax	-	-	13,081	13,081
Changes in fair value of cash flow hedges	-	542	-	542
Amounts released to comprehensive income	-	(530)	-	(530)
Total comprehensive income for the year	-	12	24,025	24,037
At 30 June 2018	60,719	(11)	(24,640)	36,068

The notes on pages 11 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Hedging reserve	Accumulated losses	Total shareholders' funds
	£000	£000	£000	£000
At 1 July 2016	60,719	76	(42,019)	18,776
Comprehensive (expense)/income for the financial year				
Profit for the financial year	-	-	1,013	1,013
Actuarial losses on pension scheme net of deferred tax	-	-	(7,659)	(7,659)
Tax on cash flow hedges	-	22	-	22
Changes in fair value of cash flow hedges	-	(121)	-	(121)
Total comprehensive expense for the year	-	(99)	(6,646)	(6,745)
At 30 June 2017	60,719	(23)	(48,665)	12,031

The notes on pages 11 to 35 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. General information

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

Amcor Flexibles UK Limited 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.

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 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 Limited.

The following principal accounting policies have been consistently 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 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.3 New standards and interpretations, and interpretations not yet applied

There were a number of 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 9 'Financial Instruments' will be effective for the year ended 30 June 2019 onwards, the main impact being the impairment assessment methodology used to value trade receivables. The Company is currently in the process of finalising the assessment of the impact on the Financial Statements, however, this is not expected to be significant.

IFRS 15 'Revenue from contracts with customers' will be effective for the year ended 30 June 2019. The Company is currently in the process of finalising the assessment of the impact on the Financial Statements, however, this is not expected to be significant.

2.4 Going concern

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

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, net of discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.6 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.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.10 Pensions****Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

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

The 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 balance sheet date less the fair value of plan assets at the balance sheet 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 sterling 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'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.11 Intangible assets**

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

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following bases:

Freehold property	- 2% per annum
Plant and machinery	- 7-25% per annum

Freehold land is not depreciated.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.13 Development costs

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

2.14 Investments in subsidiaries

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.

2.15 Stocks

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.16 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.

2.17 Financial instruments

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

Financial assets

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

Loans and receivables

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

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

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.

2.18 Creditors

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**2. Accounting policies (continued)****2.19 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 Current and deferred taxation

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

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

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

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

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

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.23 Foreign currencies

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

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

Exchange gains and losses are recognised in the Statement of comprehensive income.

3. Critical accounting estimates and judgments

Estimates and judgements 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) Useful economic lives of property, plant and equipment

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

(b) Defined benefit pension scheme

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

(c) 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 profit or loss.

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

Management does not believe that any material critical judgements are made in applying the company accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

4. Turnover

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

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	82,129	78,175
Rest of Europe	30,364	25,241
Rest of the world	4,602	2,938
	<u>117,095</u>	<u>106,354</u>

5. Exceptional administrative income/(expenses)

	2018 £000	2017 £000
Past service credit - pension plan amendments	-	1,100
	<u>-</u>	<u>1,100</u>

In the prior year, in conjunction with the wind up of the Amcor Flexibles UK Final Salary Plan and transfer to The Amcor UK Pension Plan, lump sum payments totalling £3,260,000 were paid from the plan. Subsequently, market conditions changed significantly and accordingly, a settlement gain of £1,100,000 arose, reflecting the difference between the amounts actually paid to members and the IAS 19 liability for those members at the payment date (see note 25).

6. Other operating income

	2018 £000	2017 £000
Other operating income	681	229
	<u>681</u>	<u>229</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

7. Operating profit

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

	2018	<i>2017</i>
	£000	<i>£000</i>
Research & development charged as an expense	1,835	1,689
Stocks charged as an expense	69,100	60,688
Operating lease rentals - land & buildings	304	266
Operating lease rentals - plant & machinery	223	258
Depreciation of tangible fixed assets	3,081	4,039
(Write back of impairment)/impairment of tangible fixed assets	(90)	183
Amortisation of intangible assets, including goodwill	(592)	887
Impairment of intangible assets	(9)	-
Exchange differences	(13)	(130)
Group personal pension plan cost	1,270	1,119
	<u>1,270</u>	<u>1,119</u>

8. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2018	<i>2017</i>
	£000	<i>£000</i>
Fees for auditing the company	89	73
Fees for non-audit services	-	-
	<u>89</u>	<u>73</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

9. Employees

Staff costs were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Wages and salaries	17,755	17,425
Social security costs	1,953	1,835
Other pension costs	1,270	1,119
	20,978	20,379

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

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

	2018	<i>2017</i>
	No.	<i>No.</i>
Manufacturing	428	440
Sales & distribution	25	22
Administration	57	62
	510	524

10. Income from shares in group undertakings

	2018	<i>2017</i>
	£000	<i>£000</i>
Income from shares in group undertakings	10,000	-
	10,000	-

11. Interest receivable and similar income

	2018	<i>2017</i>
	£000	<i>£000</i>
Bank interest receivable	16	20
	16	20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

12. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	15	9
	<u>15</u>	<u>9</u>
	<u><u>15</u></u>	<u><u>9</u></u>

13. Other finance expense

	2018 £000	2017 £000
Expected return on pension scheme assets	5,100	5,500
Net interest on net defined benefit liability	(6,100)	(6,600)
	<u>(1,000)</u>	<u>(1,100)</u>
	<u><u>(1,000)</u></u>	<u><u>(1,100)</u></u>

14. Tax on profit/(loss)

	2018 £000	2017 £000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	484	(30)
Adjustments in respect of prior periods	33	(1,210)
Deferred tax rate change	(51)	(215)
Total deferred tax	<u>466</u>	<u>(1,455)</u>
Taxation on profit/(loss)	<u><u>466</u></u>	<u><u>(1,455)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

14. Tax on profit/(loss) (continued)**Factors affecting tax charge/(credit) for the year**

The tax assessed for the financial year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%). The differences are explained below:

	2018	2017
	£000	£000
Profit/(loss) before tax	11,410	(442)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	2,168	(87)
Effects of:		
Expenses not deductible for tax purposes	2	57
Adjustments to tax charge in respect of prior years	-	(1,210)
Deferred tax rate change	(51)	(215)
Non-taxable dividend income	(1,900)	-
Prior year adjustment	33	-
Group relief	214	-
Total tax charge/(credit) for the year	466	(1,455)

Tax charge/(credit) in year included in Other Comprehensive Income/(Expense)

	2018	2017
	£000	£000
Current tax		
Current tax	-	-
Deferred tax		
Origination and reversal of timing differences	2,679	613
Total deferred tax	2,679	613
Total tax included in Other Comprehensive Income/(Expense)	2,679	613

The corporation tax payable has been decreased by £214,000 because of group relief surrendered to a fellow subsidiary, for which no payment will be received.

Factors that may affect future tax charges

The main rate of corporation tax was reduced from 20% to 19% on 1 April 2017. A further reduction to 17% from 1 April 2020 was legislated by Finance Bill 2016, which was substantially enacted on 6 September 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

15. Intangible assets

	Computer Software £000
Cost	
At 1 July 2017	7,084
Additions - external	51
	<hr/>
At 30 June 2018	7,135
	<hr/>
Amortisation	
At 1 July 2017	6,493
Charge for the year	592
Impairment charge	9
	<hr/>
At 30 June 2018	7,094
	<hr/>
Net book value	
At 30 June 2018	41
	<hr/> <hr/>
At 30 June 2017	591
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

16. Tangible assets

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 July 2017	11,999	65,843	77,842
Additions	53	1,425	1,478
Transfers intra group	-	39	39
Disposals	(73)	(399)	(472)
At 30 June 2018	<u>11,979</u>	<u>66,908</u>	<u>78,887</u>
Depreciation			
At 1 July 2017	3,690	49,267	52,957
Charge for the year on owned assets	274	2,807	3,081
Transfers intra group	-	14	14
Disposals	(73)	(396)	(469)
Impairment losses written back	-	(90)	(90)
At 30 June 2018	<u>3,891</u>	<u>51,602</u>	<u>55,493</u>
Net book value			
At 30 June 2018	<u>8,088</u>	<u>15,306</u>	<u>23,394</u>
At 30 June 2017	<u>8,309</u>	<u>16,576</u>	<u>24,885</u>

The net book value of freehold property at 30 June 2018 includes a value for land of £682,000 (2017 - £682,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

17. Investments

	Investment in subsidiary company £000
Cost or valuation	
At 1 July 2017	17,631
At 30 June 2018	<u>17,631</u>
Net book value	
At 30 June 2018	<u>17,631</u>
At 30 June 2017	<u>17,631</u>

Subsidiary undertakings

The following was the subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
Amcor Flexibles Winterbourne Limited	Ordinary	100 %	Packaging manufacturer

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

The registered office of the Company's subsidiary is 83 Tower Road North, Warmley, Bristol, BS30 8XP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

18. Deferred taxation

	Accelerated capital allowances £000	Pension liability £000	Other £000	Total £000
At beginning of year	1,987	7,488	(3)	9,472
Credited to other comprehensive income	-	591	22	613
Credited/(charged) to profit or loss	1,842	(735)	348	1,455
At 30 June 2017	<u>3,829</u>	<u>7,344</u>	<u>367</u>	<u>11,540</u>
At beginning of year	3,829	7,344	367	11,540
Charged to other comprehensive income	-	(2,679)	-	(2,679)
Credited/(charged) to profit or loss	508	(941)	(33)	(466)
At 30 June 2018	<u>4,337</u>	<u>3,724</u>	<u>334</u>	<u>8,395</u>

Deferred tax assets are recognised on the basis that it is more likely than not that the Company will make taxable profits in the future against which the deferred tax asset maybe utilised.

19. Stocks

	2018 £000	2017 £000
Raw materials and consumables	4,789	5,596
Work in progress (goods to be sold)	1,503	2,502
Finished goods and goods for resale	7,292	5,895
	<u>13,584</u>	<u>13,993</u>

Stocks are stated after provision for impairment of £1,900,000 (2017 - £1,386,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**20. Debtors**

	2018 £000	2017 £000
Trade debtors	18,514	17,603
Amounts owed by group companies	50,511	7,478
Other debtors	2,943	2,551
Prepayments and accrued income	131	411
Financial instruments	42	22
	<u>72,141</u>	<u>28,065</u>

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

Trade debtors are stated after provision for impairment of £2,000 (2017 - £37,000).

21. Cash at bank and in hand

	2018 £000	2017 £000
Cash at bank and in hand	20,175	14,479
	<u>20,175</u>	<u>14,479</u>

22. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	-	58
Trade creditors	21,935	18,109
Amounts owed to group undertakings	64,626	26,286
Other taxation and social security	2,401	3,657
Other creditors	851	695
Accruals and deferred income	7,580	7,148
	<u>97,393</u>	<u>55,953</u>

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

All amounts owed to group undertakings are payable on demand.

The overdraft is unsecured, repayable on demand and interest is payable at various rates. See note 26 for details of the security in place in respect of the group cash pooling arrangement in which the Company participates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

23. Financial instruments

	2018	<i>2017</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through profit or loss	42	22
Financial assets that are debt instruments measured at amortised cost	-	26,603
Cash at bank and in hand measured at amortised cost	20,175	14,479
	<u>20,217</u>	<u>41,104</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(94,859)</u>	<u>(52,296)</u>

Financial assets measured at fair value through profit or loss comprise derivative contracts.

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

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

The Company enters into forward foreign exchange contracts to mitigate the exchange risk for certain foreign currency debtors and creditors. At 30 June 2018 the Company had entered into forward exchange contracts to sell US\$3,100,000 (2017 - US\$800,000) and €2,484,000 (2017 - €2,810,000) and receive a fixed sterling amount at various times in the future up to 22 March 2019 (2017 - 26 November 2018).

24. Called up share capital

	2018	<i>2017</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
60,719,000 (2017: 60,719,000) ordinary shares of £1 each	<u>60,719</u>	<u>60,719</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

25. Pension commitments

From 1 October 2010 the Company contributed to a newly established Group Personal Pension Plan for all employees who elected to participate.

The pension cost charge for the year represents contributions payable by the Company to the plan, and amounted to £6,000,000 (2017 - £1,119,000). There were no outstanding or prepaid contributions at the year end (2017 - £NIL).

The company operates a Defined Benefit Pension Scheme.

The Company operates a defined benefit scheme in the UK (the Amcor Flexibles UK Final Salary Plan – “the Plan”). A full actuarial valuation of the Plan was carried out as at 5 April 2013 and updated by the Actuary to 30 June 2017. The plan was closed to new entrants with effect from 1 October 2001. The plan ceased to accrue for current service costs from 1 July 2008, and employees were instead invited to participate in the Amcor Flexibles UK Money Purchase Plan.

Effective 1 June 2016 all the assets and liabilities of the Plan were transferred into an independent section, (“the Flexibles Section”), of the newly created The Amcor UK Pension Plan.

The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £NIL (2017 - £NIL) were payable to the fund at the balance sheet date.

In the prior year, in conjunction with the wind up of the Amcor Flexibles UK Final Salary Plan and transfer to The Amcor UK Pension Plan, lump sum payments totalling £3,260,000 were paid from the plan. Since the date of payment, market conditions have changed significantly and accordingly, a settlement gain of £1,100,000 has arisen, reflecting the difference between the amounts actually paid to members and the IAS 19 liability for those members at the payment date.

A full actuarial valuation of the Amcor UK Pension Plan was carried out at 1 July 2016, which was signed off on 6 November 2017.

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

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

The risks of the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

25. Pension commitments (continued)

(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:

	2018 £000	2017 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	248,300	242,900
Administration costs	490	820
Interest on pension scheme liabilities	6,100	6,600
Actuarial (gains)/losses	(37,400)	15,800
Benefits paid	(8,590)	(13,420)
Settlements	-	(3,300)
Gain on settlement	-	(1,100)
	<u>208,900</u>	<u>248,300</u>
At the end of the year	208,900	248,300

Reconciliation of fair value of plan assets were as follows:

Reconciliation of present value of plan assets:

	2018 £000	2017 £000
Opening fair value of scheme assets	205,100	201,300
Expected return on scheme assets	5,100	5,500
Actuarial (losses)/gains	(21,640)	7,550
Contributions by employer	7,030	7,470
Benefits paid	(8,590)	(13,420)
Settlements	-	(3,300)
	<u>187,000</u>	<u>205,100</u>
At the end of the year	187,000	205,100

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

25. Pension commitments (continued)

Composition of plan assets:

	2018 £000	2017 £000
Equities	69,000	55,900
Bonds	87,000	104,600
Diversified growth fund	31,000	44,600
Total plan assets	187,000	205,100
	2018 £000	2017 £000
Fair value of plan assets	187,000	205,100
Present value of plan liabilities	(208,900)	(248,300)
Net pension scheme liability	(21,900)	(43,200)

The amounts recognised in profit or loss are as follows:

	2018 £000	2017 £000
Interest on obligation	6,100	6,600
Interest income on plan assets	(5,100)	(5,500)
Administration costs	490	820
Gains on curtailments and settlements	-	(1,100)
Total	1,490	820

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £73,604,000 (2017 - £89,364,000).

The company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

25. Pension commitments (continued)

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

	2018	2017
	%	%
Discount rate	3.0	2.5
Future pension increases in payment	3.1	3.2
Future pension increases - deferred	2.2	2.3
Inflation assumption	3.2	3.3
Mortality rates		
- for a male aged 65 now	23.085	22.995
- at 65 for a male aged 50 now	24.779	24.668
- for a female aged 65 now	25.563	25.455
- at 65 for a female member aged 50 now	27.336	27.222

Mortality rates (unchanged from prior year):

Mortality male - S1NMA (Year of Birth) with a 98% adjustment, CMI 2013 future improvements with a 1.5% per annum trend.

Mortality female - S1NFA (Year of Birth) with a 98% adjustment, CMI 2013 future improvements with a 1.5% per annum trend.

Sensitivity analysis of plan liabilities:

A 25bp increase in the discount rate will decrease plan liabilities by £9,900,000.

A 25bp decrease in the discount rate will increase plan liabilities by £10,400,000.

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

Defined benefit pension schemes

	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000
Defined benefit obligation	(208,900)	(248,300)	(242,900)	(216,964)	(184,900)
Scheme assets	187,000	205,100	201,300	192,541	179,100
Deficit	(21,900)	(43,200)	(41,600)	(24,423)	(5,800)
Experience adjustments on scheme liabilities	(950)	8,600	900	700	(100)
Experience adjustments on scheme assets	(21,640)	7,550	5,259	4,850	3,219

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

25. Pension commitments (continued)

The duration of expected benefit payments is 20 years.

26. Commitments under operating leases

At 30 June 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Land and buildings		
Not later than 1 year	238	241
Later than 1 year and not later than 5 years	952	964
Later than 5 years	1,890	2,130
	3,080	3,335
	2018 £000	2017 £000
Other		
Not later than 1 year	321	291
Later than 1 year and not later than 5 years	469	472
	790	763

27. 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 2018, the cash pool was in a net surplus position of €62,700,000 (2017 - €27,000,000).

28. Reserves**Hedging Reserve**

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

Accumulated losses

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

29. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Sidlaw Group Limited, registered in England and Wales.

The ultimate parent undertaking and controlling party is Amcor Limited incorporated in Australia, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of Amcor Limited consolidated financial statements can be obtained from the Company Secretary at 109 Burwood Road, Hawthorn, Victoria 3122, Australia.

On 6 August 2018, Amcor Limited, the Company's ultimate parent, announced that it had entered into a definitive agreement under which it will acquire Bemis Company, Inc. in an all-stock combination.