Appendix 4E ***Rule 4.3A***

Preliminary Final report

AMCOR LIMITED
ABN 62 000 017 372

1. Details of the reporting period and the previous corresponding period

Reporting Period:	Year Ended 30 June 2014
Previous Corresponding Period:	Year Ended 30 June 2013

2. Results for announcement to the market

				$A million
2.1 Revenues from ordinary activities				
• From Continuing Operations	Up	14.4%	to	10,853.4
• From Discontinued Operations	Down	45.0%	to	1,615.4
2.2 Net profit for continuing operations from ordinary activities after tax but before significant items, attributable to members	Up	24.6%	to	737.0
Net profit for continuing and discontinued operations from ordinary activities after tax but before significant items, attributable to members	Up	17.5%	to	790.5
2.3 Net profit for the period, after significant items, attributable to members	Down	3.2%	To	564.8

Dividends	**Amount per security**	**Franked amount per security**
Current period		
2.4 Final dividend	23.5 cents	nil
2.4 Interim dividend	19.5 cents	nil
Previous corresponding period		
2.4 Final dividend	20.5 cents	nil
2.4 Interim dividend	19.5 cents	nil
2.5 Record date for determining entitlements to the dividend	Final dividend – 4 September 2014	

2.6 Brief explanation of figures in 2.1 to 2.4 –:

i) The increase/decrease from the prior period is based on restated numbers; a restatement was required due to the mandatory adoption of the revised accounting standard *AASB 119 Employee Benefits* which impacted the previously reported results associated with Amcor's defined benefit superannuation funds. Refer to Note 1 (b) and (Z) of the financial statements for further details.

ii) Dividends in the current period are unfranked. Dividends to non-residents are sourced from the parent entity's Conduit Foreign Income Account. As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

iii) Refer to attached press release for further details relating to 2.1 to 2.4.

3. Income Statement and Statement of Comprehensive Income – Refer attached

4. Statement of Financial Position – Refer attached

5. Statement of Cash Flows – Refer attached

6. Statement of Retained Earnings – Refer attached, Note 26 Reserves and Retained Earnings

7. Details of individual dividends and payment dates – refer attached, Note 27 Dividends

8. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP. Issue price will be calculated on the arithmetic average of the weighted average market price for the nine ASX trading days September 9 to 19, 2014 inclusive. The last date for receipt of election notices for the DRP is 5 September 2014. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Amcor Limited.

9. Net tangible assets

	Current period	30 June 2013
Net tangible asset backing per ordinary security	($0.05)	$0.94

10. Control gained over entities having a material effect – Refer attached, Note 3 Business Combinations

11. Details of associates and joint venture entities – Refer attached, Note 16 Equity Accounted Investments

12. Significant information – Refer press release attached

13. For foreign entities, which set of accounting standards is used in compiling the report – Not applicable

14. Commentary on results for the period – Refer press release attached

15. This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Company's financial report, which also contains the Director's Report (including the audited Remuneration Report) and Director's Declaration. These will all be released at the same time as part of the Company's Annual Report which is nearing completion and will be released on approximately 18 September 2014.

J McPherson

.... Date: 19 August 2014

Julie McPherson
Company Secretary

AMCOR LIMITED
A.B.N. 62 000 017 372

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

19 August 2014

Financial Report

Contents of Financial Report

Amcor Limited and its controlled entities

Income Statement
For the financial year ended 30 June 2014

$ million	Note	2014	2013 Restated [1]
Continuing Operations			
Sales revenue	2, 5	**10,853.4**	9,485.8
Cost of sales		**(8,803.6)**	(7,737.8)
Gross profit		**2,049.8**	1,748.0
Other income	5	**126.9**	113.1
Sales and marketing expenses		**(243.5)**	(205.2)
General and administration expenses		**(701.8)**	(634.6)
Research costs		**(76.0)**	(66.0)
Share of net profit of equity accounted investments		**21.9**	25.8
Profit from operations		**1,177.3**	981.1
Finance income	5	**30.8**	20.7
Finance expenses	6	**(241.2)**	(211.8)
Net finance costs		**(210.4)**	(191.1)
Profit before related income tax expense		**966.9**	790.0
Income tax expense	8(b)	**(198.4)**	(173.0)
Profit for the financial period from continuing operations		**768.5**	617.0
Profit from continuing operations attributable to:			
Owners of Amcor Limited		**737.0**	589.2
Non-controlling interest		**31.5**	27.8
		768.5	617.0
Discontinued Operations			
Loss from discontinued operations, net of tax	3a	**(172.2)**	(5.5)
Profit for the financial period		**596.3**	611.5
Profit attributable to:			
Owners of Amcor Limited		**564.8**	583.7
Non-controlling interest		**31.5**	27.8
		596.3	611.5
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	10	**61.1**	48.9
Diluted earnings per share	10	**60.0**	48.1
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited			
Basic earnings per share	10	**46.8**	48.4
Diluted earnings per share	10	**46.0**	47.6

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

The above Income Statement should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Comprehensive Income
For the financial year ended 30 June 2014

$ million	Note	2014	2013 Restated [1]
Profit for the financial period		**596.3**	611.5
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
Net change in fair value of available-for-sale financial assets	26(a)	**2.8**	(0.3)
Cash flow hedges			
Effective portion of changes in fair value of cash flow hedges	26(a)	**(2.2)**	0.2
Net change in fair value of cash flow hedges reclassified to profit or loss	26(a)	**5.2**	3.9
Net change in fair value of cash flow hedges reclassified to non-financial assets	26(a)	**0.1**	(2.0)
Tax on cash flow hedges	26(a)	**(0.8)**	(0.3)
Share based payments			
Net transfer of Share Based Payment Reserve to accruals for cash settlement	26(a)	**(4.4)**	-
Exchange differences on translating foreign operations			
Exchange differences on translation of foreign operations		**39.4**	410.0
Net investment hedge of foreign operations		**(41.4)**	(234.8)
Share of equity accounted investees exchange fluctuation reserve		**6.8**	0.5
Tax on exchange differences on translating foreign operations	26(a)	**7.5**	67.3
Items that will not be reclassified to profit or loss:			
Retained earnings			
Actuarial losses on defined benefit plans	24(b)	**(28.2)**	(57.8)
Tax on actuarial losses on defined benefit plans		**6.2**	12.9
Other comprehensive income/(loss) for the financial period, net of tax		**(9.0)**	199.6
Total comprehensive income for the financial period		**587.3**	811.1
Total comprehensive income attributable to:			
Owners of Amcor Limited		**557.6**	793.6
Non-controlling interest		**29.7**	17.5
		587.3	811.1
Total comprehensive income for the period attributable to owners of Amcor Limited arises from:			
Continuing operations		**729.8**	722.4
Discontinued operations		**(172.2)**	71.2
		557.6	793.6

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Financial Position
As at 30 June 2014

$ million	Note	2014	2013 Restated [1]	1 July 2012 Restated [1]
Current assets				
Cash and cash equivalents	11	**541.1**	394.9	357.6
Trade and other receivables	12	**1,482.6**	1,829.5	1,584.8
Inventories	13	**1,411.0**	1,814.6	1,663.6
Other financial assets	14	**8.9**	36.8	12.0
Other current assets	15	**88.1**	121.7	110.1
Total current assets		**3,531.7**	4,197.5	3,728.1
Non-current assets				
Investments accounted for using the equity method	16	**516.8**	499.5	489.9
Other financial assets	14	**163.4**	116.1	41.1
Property, plant and equipment	17	**3,100.2**	4,883.0	4,667.6
Deferred tax assets	18	**101.0**	177.2	141.4
Intangible assets	19	**2,119.4**	2,300.7	1,999.5
Retirement benefit assets	24	**43.9**	35.6	64.2
Other non-current assets	15	**120.9**	212.8	195.2
Total non-current assets		**6,165.6**	8,224.9	7,598.9
Total assets		**9,697.3**	12,422.4	11,327.0
Current liabilities				
Trade and other payables	20	**2,643.9**	3,087.5	2,744.7
Interest-bearing liabilities	21	**554.0**	1,184.8	915.5
Other financial liabilities	22	**66.8**	90.1	143.4
Current tax liabilities		**103.6**	44.6	95.1
Provisions	23	**131.0**	294.9	298.0
Total current liabilities		**3,499.3**	4,701.9	4,196.7
Non-current liabilities				
Trade and other payables	20	**5.0**	22.0	19.1
Interest-bearing liabilities	21	**3,186.5**	3,177.6	2,992.7
Other financial liabilities	22	**-**	12.4	13.2
Deferred tax liabilities	18	**267.7**	281.7	212.9
Provisions	23	**134.5**	182.0	174.4
Retirement benefit obligations	24	**333.2**	341.0	331.3
Total non-current liabilities		**3,926.9**	4,016.7	3,743.6
Total liabilities		**7,426.2**	8,718.6	7,940.3
NET ASSETS		**2,271.1**	3,703.8	3,386.7
Equity				
Contributed equity	25	**2,885.4**	3,821.3	3,784.4
Reserves	26(a)	**(1,355.6)**	(776.5)	(993.9)
Retained earnings	26(b)	**625.4**	565.5	507.7
Total equity attributable to the owners of Amcor Limited		**2,155.2**	3,610.3	3,298.2
Non-controlling interest		**115.9**	93.5	88.5
TOTAL EQUITY		**2,271.1**	3,703.8	3,386.7

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Statement of Changes in Equity
For the financial year ended 30 June 2014

$ million	Note	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
		Attributable to owners of Amcor Limited					
Balance at 1 July 2013	25	**3,821.3**	**(776.2)**	**562.3**	**3,607.4**	**93.5**	**3,700.9**
Adjustment resulting from change in accounting policy (net of tax)(1)		**-**	**(0.3)**	**3.2**	**2.9**	**-**	**2.9**
Restated balance at 1 July 2013	25, 26	**3,821.3**	**(776.5)**	**565.5**	**3,610.3**	**93.5**	**3,703.8**
Profit for the financial period		**-**	**-**	**564.8**	**564.8**	**31.5**	**596.3**
Total other comprehensive income/(loss)	26(a)	**-**	**14.8**	**(22.0)**	**(7.2)**	**(1.8)**	**(9.0)**
Total comprehensive income for the financial period		**-**	**14.8**	**542.8**	**557.6**	**29.7**	**587.3**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and related tax	26(a)	**51.7**	**-**	**-**	**51.7**	**6.5**	**58.2**
Demerger of Australasia and Packaging Distribution business	25(a), 26(a)	**(908.9)**	**(587.6)**	-	**(1,496.5)**	-	**(1,496.5)**
Purchase of treasury shares	25(c)	**(59.9)**	**-**	**-**	**(59.9)**	**-**	**(59.9)**
Dividends paid	26(b), 27	**-**	**-**	**(482.9)**	**(482.9)**	**(13.8)**	**(496.7)**
Forward contracts to purchase own equity to meet share plan obligations and related tax	25(a), 26(a)	**(55.0)**	**(5.1)**	**-**	**(60.1)**	**-**	**(60.1)**
Settlement of options and performance rights	26(a)	**36.2**	**(36.2)**	**-**	**-**	**-**	**-**
Share-based payments expense	26(a)	**-**	**35.0**	**-**	**35.0**	**-**	**35.0**
Balance at 30 June 2014	25, 26	**2,885.4**	**(1,355.6)**	**625.4**	**2,155.2**	**115.9**	**2,271.1**

$ million	Note	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 July 2012	25	3,784.4	(994.0)	500.7	3,291.1	88.5	3,379.6
Adjustment resulting from change in accounting policy (net of tax)(1)		-	0.1	7.0	7.1	-	7.1
Restated balance at 1 July 2012	26	3,784.4	(993.9)	507.7	3,298.2	88.5	3,386.7
Profit for the financial period		-	-	583.7	583.7	27.8	611.5
Total other comprehensive income/(loss)	26(a)	-	254.8	(44.9)	209.9	(10.3)	199.6
Total comprehensive income/(loss) for the financial period		-	254.8	538.8	793.6	17.5	811.1
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and related tax		87.0	(28.2)	-	58.8	4.6	63.4
Shares purchased on-market to satisfy exercise of options and rights under share-based payment plans	25(a)	(23.7)	-	-	(23.7)	-	(23.7)
Purchase of treasury shares	25(c)	(15.8)	-	-	(15.8)	-	(15.8)
Dividends paid	26(b), 27	-	-	(464.7)	(464.7)	(10.7)	(475.4)
Forwards contract to purchase own equity to meet share plan obligations	25(a), 26(a)	(59.6)	5.4	-	(54.2)	-	(54.2)
Settlement of options and performance rights	26(a)	49.0	(49.0)	-	-	-	-
Share-based payments expense	26(a)	-	34.4	-	34.4	-	34.4
Non-controlling interest buy-out	26(b)	-	-	(16.3)	(16.3)	(6.4)	(22.7)
Balance at 30 June 2013	25, 26	3,821.3	(776.5)	565.5	3,610.3	93.5	3,703.8

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Cash Flow Statement
For the financial year ended 30 June 2014

$ million	Note	2014	2013 Restated [1]
Cash flows from operating activities			
Profit from continuing operations		**768.5**	617.0
Depreciation	6	**379.3**	333.8
Amortisation of intangible assets	6	**30.2**	23.9
Impairment losses on property, plant and equipment, intangibles, receivables and inventory		**11.3**	12.9
Reversal of impairment losses on property, plant and equipment, receivables and inventory		**(13.0)**	(11.7)
Curtailment (gains)/losses, net of non-cash retirement benefit expense		**(1.0)**	8.5
Net finance costs	5, 6	**210.4**	191.1
Grant income recognised	5	**(1.0)**	(1.7)
Net gain on disposal of non-current assets	5	**(21.6)**	(9.4)
Net loss/(gain) on disposal of businesses/controlled entities	6	**1.3**	-
Fair value gain/(loss) on financial assets at fair value through income statement	6	**0.3**	(0.2)
Share of net profits of equity accounted investments	16	**(21.9)**	(25.8)
Net foreign exchange (gain)/loss		**(1.5)**	0.5
Dividends from other entities	5	**(0.5)**	(0.1)
Share-based payments expense	29(e)	**33.0**	34.4
Other sundry items		**(27.2)**	(16.3)
Income tax expense	8(b)	**198.4**	173.0
Operating cash flows before changes in working capital and provisions		**1,545.0**	1,329.9
- (Increase)/Decrease in prepayments and other operating assets		**(18.3)**	6.3
- (Decrease)/Increase in employee benefits and other operating liabilities		**(35.9)**	(42.6)
- (Decrease)/Increase in provisions		**(35.3)**	(75.8)
- (Increase)/Decrease in trade and other receivables		**(5.7)**	(20.5)
- Decrease/(Increase) in inventories		**15.5**	(57.3)
- Increase/(Decrease) in trade and other payables		**54.8**	64.2
		1,520.0	1,204.2
Dividends received		**11.7**	71.1
Interest received		**46.6**	25.3
Borrowing costs		**(258.2)**	(214.8)
Income tax paid		**(149.1)**	(127.1)
Net cash from continuing operating activities		**1,171.0**	958.7
Net cash from discontinued operating activities	3	**20.2**	87.8
Net cash flows from operating activities		**1,191.3**	**1,046.5**
Cash flows from investing activities			
Granting/(Repayment) of loans to associated companies and other persons		**0.9**	(1.9)
Payments for acquisition of controlled entities, businesses and associates, net of cash acquired		**(118.3)**	(194.0)
Payments for property, plant and equipment and intangible assets		**(362.2)**	(323.4)
Proceeds on disposal of associates, controlled entities and businesses		**25.5**	16.6
Proceeds on disposal of property, plant and equipment		**78.3**	22.9
Net cash from continuing investing activities		**(375.8)**	(479.8)
Net cash from discontinued investing activities	3	**(67.0)**	(109.1)
Cash, net of overdraft, disposed of on demerger of the Australasia and Packaging Distribution business		**(67.1)**	**-**
Net cash flows from investing activities		**(509.9)**	(588.9)

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Cash Flow Statement (continued)
For the financial year ended 30 June 2014

$ million	Note	2014	2013 Restated [1]
Cash flows from financing activities			
Proceeds from share issues and calls on partly-paid shares	29(b)	**51.8**	87.0
Shares purchased on-market and settlement of forward contracts, to satisfy exercises of options and rights under share-based payment plans		**(73.9)**	(129.8)
Payments for treasury shares	25(c)	**(59.9)**	(15.8)
Proceeds on capital contribution from non-controlling interest		**3.8**	-
Proceeds from borrowings		**9,923.2**	6,494.0
Repayment of borrowings		**(9,970.8)**	(6,419.3)
Principal lease repayments		**(3.4)**	(0.8)
Dividends and other equity distributions paid		**(496.3)**	(478.2)
Net cash from continuing financing activities		**(625.5)**	(462.9)
Net cash from discontinued financing activities	**3**	**91.0**	37.6
Net cash flows from financing activities		**(534.5)**	(425.3)
Net increase in cash held from continuing activities		**169.7**	16.0
Net increase in cash held from discontinued activities		**44.2**	16.3
Cash and cash equivalents at the beginning of the financial period		**366.5**	322.1
Cash, net of overdraft, disposed of on demerger of the Australasia and Packaging Distribution business		**(67.1)**	-
Effects of exchange rate changes on cash and cash equivalents for continuing and discontinued activities		**23.0**	12.1
Cash and cash equivalents at the end of the financial period [2]		**536.3**	366.5

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

[2] Refer to notes 11 and 21 for details of the financing arrangements of the consolidated entity.

Reconciliation of cash and cash equivalents

For purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and short term money market

	Note	2014	2013
Cash assets and cash equivalents	11	**541.1**	394.9
Bank overdrafts	21	**(4.8)**	(28.4)
Cash and cash equivalents at the end of the financial period		**536.3**	366.5

The consolidated entity operates in 43 countries around the world some of which impose restrictions over cash movement. The estimated restricted cash balance at 30 June 2014 is between $70 million and $80 million.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Amcor Limited and its controlled entities

Contents of notes to the financial statements

Notes to the financial statements

30 June 2014

Note 1. Summary of Significant Accounting Policies

Amcor Limited ('the Company') is a company domiciled in Australia. The Financial Report includes financial statements of the Company and its subsidiaries (together referred to as the 'consolidated entity') and the consolidated entity's interests in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

(a) Basis of preparation

Statement of compliance

The consolidated entity is a for-profit entity for the purpose of preparing the financial statements. This general purpose Financial Report for the year ended 30 June 2014 has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Financial Report of the consolidated entity also complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB).

The Company is of the kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. In accordance with that Class Order, amounts in the consolidated financial statements have been rounded to the nearest $100,000 or, where the amount is $50,000 or less, zero, unless specifically stated otherwise. The consolidated financial statements were approved by the Board of Directors on 19 August 2014.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following items in the statement of financial position:

- available-for-sale financial assets are measured at fair value;
- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- liabilities for cash settled share-based payment arrangements are measured at fair value; and
- the retirement benefit asset is recognised as plan assets less the present value of the retirement benefit obligation and is limited as explained in note 1(t).

Critical accounting estimates and assumptions

The preparation of consolidated financial statements requires management to exercise judgement and make estimates and assumptions in applying the consolidated entity's accounting policies which impact the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from these accounting estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management believes the following are the critical accounting policies that involve a high degree of judgement or complexity, or where assumptions and estimation uncertainties are significant in the preparation of the consolidated financial statements:

- the testing for impairment of assets – refer note 1(p), notes 16, 17 and 19;
- measurement of the recoverable amounts of cash generating units containing goodwill – refer notes 1(o), 1(p) and note 19;
- direct and indirect income tax related assumptions and estimates, including utilisation of tax losses – refer note 1(j), note 18 and note 31;
- measurement of insurance and other claims – refer note 1(r) and note 23;
- measurement of retirement benefit obligations – refer note 1(t) and note 24;
- measurement of share-based payments – refer note 1(s) and note 29;
- valuation of financial instruments – refer note 1(k) and note 28; and
- the provisioning for restructuring and market sector rationalisation costs – refer note 1(r), note 6 and note 23.

(b) Changes in accounting policy and new and amended standards adopted

The following accounting policies of the consolidated entity have been amended as the result of the adoption of new or revised accounting standards:

- Retirement benefit obligations – revised AASB 119 Employee Benefits; and
- Principles of consolidation – new standards AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*

In addition to the above standards AASB 13 *Fair Value Measurement* is also applicable for the first time for the year ended 30 June 2014. This standard has introduced new disclosures for this Financial Report but did not affect the consolidated entity's accounting policies or any of the amounts recognised in the financial statements.

(i) Retirement benefit obligations

The consolidated entity has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefits on adoption of the revised standard AASB 119 *Employee Benefits.*

Under revised AASB 119 the consolidated entity determines the net interest expense or income for the period by applying the discount rate to the net defined benefit liability or asset. Previously the consolidated entity determined interest income on plan assets based on their long-term rate of expected return. In addition, revised AASB 119 requires all remeasurements to be presented in equity and the immediate recognition of all past service cost in the income statement. Previously past service costs were recognised on a straight line basis over

Note 1. Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policy and new and amended standards adopted (continued)

(i) Retirement benefit obligations (continued)

the vesting period if the changes were conditional on the employee remaining in service for a specified period of time (the vesting period). The revised standard does not mandate where to present remeasurements in equity. The consolidated entity has chosen to retain their previous policy of recognising remeasurements directly in retained earnings.

As the revised standard is required to be adopted retrospectively, adjustments to the retirement benefit obligations have been recognised at the beginning of the earliest period presented (1 July 2012) and the income statement and statement of comprehensive income for the comparative period have been restated.

The impact of the retrospective adoption of revised AASB 119 on the individual line items in the financial statements is shown in note 1(z).

(ii) Principles of consolidation

Subsidiaries

AASB 10 *Consolidated Financial Statements* introduces a new control model that is applicable to all investees. As a result, the consolidated entity has changed its accounting policy for determining whether it has control over an investee and consequently whether it consolidates that investee.

Subsidiaries are those entities that are controlled by the consolidated entity. Control exists where the consolidated entity has power over an entity, exposure or rights to variable returns from its involvement with that entity and has the ability to use that power to affect those returns. In assessing control, in addition to considering the existence of potential voting rights that are presently exercisable or convertible, the consolidated entity also considers relationships with other parties that may result in the consolidated entity controlling an entity on the basis of de facto circumstances.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the consolidated entity obtains control until the date that control ceases. All balances and transactions between entities included within the consolidated entity are eliminated. Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statement, statement of comprehensive income, statement of financial position and statement of changes in equity, respectively.

The consolidated entity reassessed the control conclusion of its investees at 1 July 2013 applying the new accounting policy. No differences were identified in respect of the consolidated entity's investees and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Investments in jointly controlled entities

As a result of AASB 11 *Joint Arrangements* the consolidated entity has changed its accounting policy for its interests in joint arrangements. Joint arrangements are classified as either joint operations or joint ventures depending on the consolidated entity's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment the consolidated entity considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

A joint operation is where the parties to the arrangement have rights to the assets and obligations for the liabilities. The consolidated entity accounts for its interest in a joint operation by recognising the assets, liabilities, revenue and expenses held in the joint arrangement as well as the consolidated entity's share of any assets or liabilities that are jointly held and the share of any revenue or expenses that are jointly generated or incurred.

A joint venture is where the parties have rights to the net assets of the arrangement. The consolidated entity accounts for its interest in a joint venture as an investment using the equity method. After initially being recognised at cost the consolidated entity recognises its share of the joint venture's profit or loss in the income statement and its share of movements in the joint ventures other comprehensive income is recognised in the consolidated entity's other comprehensive income until the date that the consolidated entity's rights to the assets and obligations of the joint arrangement change. These cumulative movements are adjusted against the carrying amount of the investment. Dividends received from the equity accounted investment are recognised as a reduction in the carrying amount of the investment.

At 1 July 2013 the consolidated entity re-evaluated its involvement in its single joint arrangement applying the new accounting policy. The joint arrangement was identified as a joint venture and as a result the accounting for the arrangement has not changed, the consolidated entity continues to account for the investment using the equity method; accordingly, there has been no impact on the recognised assets, liabilities and total comprehensive income of the consolidated entity.

(iii) New and amended standards adopted by the consolidated entity

In addition to the new standards described above, the consolidated entity has also applied the following new standards and amendments for the first time for the annual reporting period ending 30 June 2014. These standards only affected the disclosures in the notes to the financial statements:

- AASB 12 *Disclosure of Interests in Other Entities* which sets out the required disclosures for the consolidated entity under AASB 10 and AASB 11.
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* which makes a number of minor amendments to Australian Accounting Standards, including AASB 101 *Presentation of Financial Statements*, clarifying the disclosure requirements for comparative information when an entity provides a third balance sheet.
- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* which removes the individual key management personnel disclosure requirements from AASB 124 *Related Party Disclosures*.

Note 1. Summary of Significant Accounting Policies (continued)

(iii) New and amended standards adopted by the consolidated entity (continued)

The consolidated entity has also elected to early adopt AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* in this Financial Report. This standard makes minor amendments to the disclosure requirements of AASB 136 *Impairment of Assets* which requires disclosure of the recoverable amount of all cash generating units that contain goodwill. The amendments allow the recoverable amount to be disclosed only if any cash generating unit containing goodwill is impaired.

(c) Principles of consolidation

Investments in associates

Associates are those entities over which the consolidated entity has significant influence, but not control or joint control, to govern the financial and operating policies. Significant influence is presumed to exist when the consolidated entity holds between 20% and 50% of the voting power of another entity. After initially being recognised at cost, the consolidated entity accounts for investments in associates using the equity method.

From the date that significant influence commences, the consolidated entity recognises its share of the equity accounted investees' profits or losses in the income statement and its share of movements in other comprehensive income is recognised in other comprehensive income until the date that significant influence ceases. These cumulative movements are adjusted against the carrying amount of the investment. Dividends receivable from the investees are recognised as a reduction in the carrying amount of the investment.

Changes in the consolidated entity's share of the net worth of an associate investee, due to dilution caused by an issue of equity by the investee, are recognised in the income statement as a gain or loss. The consolidated entity's investment in the associate investees includes goodwill identified on acquisition.

Amcor Employee Share Trust

The consolidated entity has formed the Amcor Employee Share Trust (the 'Trust') for the purpose of managing and administering the consolidated entity's Employee Share Schemes (refer note 29), through the acquiring, holding and transferring of shares, or rights to shares, in the Company.

The Trust is consolidated as the Trust is controlled by the consolidated entity. All shares held by the Trust are disclosed as treasury shares and deducted from contributed equity (refer note 25).

(d) Business combinations

Business combinations are accounted for using the acquisition method regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

The consolidated entity measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount of any non-controlling interest recognised in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree; less
- the fair value of the consolidated entity's share of the identifiable assets acquired and liabilities assumed.

When the excess is negative and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the consolidated entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(e) Foreign currency translation

Items included in the financial statements of each of the entities included within the consolidated entity are measured using the currency of the economic environment in which the entity primarily generates and expends cash (the 'functional currency'). These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company, Amcor Limited.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the entity using exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of the entity holding the monetary assets and liabilities at the foreign exchange rate at that date. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities

Note 1. Summary of Significant Accounting Policies (continued)

(e) Foreign currency translation (continued)

Foreign currency transactions (continued)
denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or net investment hedges, refer note 1(k).

Translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in the available-for-sale investments revaluation reserve in equity.

Foreign operations
The results and financial position of all entities within the consolidated entity that have a functional currency different from the presentation currency are translated into Australian dollars as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates, which approximate the exchange rates at the dates of the transactions; and
- goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

On consolidation, all the resulting exchange differences arising from the translation are recognised in other comprehensive income and accumulated as a separate component of equity in the Exchange Fluctuation Reserve (EFR). When a foreign operation is disposed of, the amount that has been recognised in equity in relation to the proportion of the foreign operation disposed of is transferred to the income statement as an adjustment to the profit or loss on disposal.

Hedge of net investment in foreign operation
On consolidation, foreign currency differences arising on the retranslation of financial assets and liabilities designated as net investment hedges of a foreign operation are recognised in other comprehensive income and accumulated in the EFR, to the extent that the hedge is effective. To the extent that the hedge is ineffective, the foreign currency differences arising on the retranslation are recognised in the income statement. When the hedged net investment is disposed of, the cumulative amount that has been recognised in equity in relation to the hedged net investment is transferred to the income statement as an adjustment to the profit or loss on disposal.

(f) Revenue

Sale of goods
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances and discounts. Revenue is recognised when the risks and rewards of ownership have transferred to the customer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

Dividend income
Dividend income is recognised on the date that the consolidated entity's right to receive payment is established.

(g) Government grants

Grants from governments are recognised at their fair value where there is a reasonable assurance that the grant will be received and the consolidated entity will comply with all attached conditions.

Grants received in relation to the purchase and construction of items of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful life of the related asset.

Grants that compensate the consolidated entity for expenses incurred are deferred and recognised in the income statement over the same period in which the expenses are recognised.

(h) Leases

Leased assets
Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Subsequent to initial recognition, the asset is depreciated over the shorter of the asset's useful life and the lease term, unless it is reasonably certain that ownership will be obtained by the end of the lease term where it is depreciated over the period of the expected use which is the useful life of the asset.

Other leases are operating leases and are not recognised on the consolidated entity's statement of financial position.

Lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, while any lease incentive is recognised as an integral part of the total lease expense, over the term of the lease.

Note 1. Summary of Significant Accounting Policies (continued)

(h) Leases (continued)

Lease payments (continued)
Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Finance income and finance expenses

Finance income comprises interest income on funds invested and interest income related to defined benefit plans.

Finance expenses comprise interest expense on borrowings, amortisation of discounts or premium related to borrowings, interest costs related to defined benefit pension plans, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, lease finance charges and the unwinding discount on provision balances.

Interest income and interest expense on borrowings are recognised as they accrue using the effective interest rate method.

Financing expenses are brought to account in determining profit for the period, except to the extent the expenses are directly attributable to the acquisition, construction or production of a qualifying asset. Such financing costs are capitalised as part of the cost of the asset up to the time it is ready for its intended use and are then amortised over the expected useful economic life.

(j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised directly in equity or in other comprehensive income respectively.

Current tax
Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and by the availability of unused tax losses.

Current tax assets and liabilities are offset where the consolidated entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- taxable temporary differences arising on the initial recognition of goodwill;
- taxable differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that the consolidated entity is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the consolidated entity intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Use of estimates and judgements
The consolidated entity is subject to income taxes in Australia and foreign jurisdictions and as a result significant judgement is required in determining the consolidated entity's provision for income tax. There are many transactions and calculations relating to the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for potential tax audit issues based on management's estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, these differences impact the current and deferred tax provisions in the period in which such determination is made.

The assumptions regarding future realisation, and therefore the recognition of deferred tax assets, may change due to future operating performance and other factors.

Goods and services tax/value added tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax and valued added tax (GST/VAT) and other sales related taxes, except where the amount of GST/VAT incurred is not recoverable from the relevant taxation authority. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Note 1. Summary of Significant Accounting Policies (continued)

(j) Income tax (continued)

Goods and services tax/value added tax (continued)
Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, taxing authorities is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST/VAT component of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxing authorities are classified as operating cash flows.

(k) Financial instruments

Non-derivative financial instruments
The consolidated entity classifies its investments and other financial assets into the following categories: financial assets at fair value through the income statement; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The financial instrument classification depends on the purpose for which the investments and other financial assets were acquired.

A non-derivative financial instrument is recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. The purchase of investments and other financial assets that are available-for-sale are recognised on trade date, the date on which the consolidated entity commits to purchase the asset. Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

The consolidated entity's accounting policies on accounting for finance income and expense and on impairment of financial assets are described in notes 1(i) and 1(p) respectively. Refer to note 1(w) regarding fair value estimation in the measurement of financial instruments.

Non-derivative financial instruments comprise cash and cash equivalents, trade receivables, loans and other receivables, investments in equity securities, trade and other payables and interest-bearing liabilities.

(i) Cash and cash equivalents
Cash and cash equivalents include cash on hand and at bank, short-term deposits and short-term money market investments. Bank overdrafts are shown within interest-bearing liabilities in current liabilities on the statement of financial position, refer notes 11 and 21.

Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Trade receivables, loans and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses, refer note 12. Trade and other receivables are presented as current assets, except for those where collection is not expected for more than 12 months after the reporting date which are classified as non-current assets.

The collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the consolidated entity will be unable to collect amounts due, according to the original terms of the receivables. Financial difficulty of the debtor, default in payments and the probability that the debtor will enter bankruptcy are considered indicators that a trade receivable is impaired. Where it is considered unlikely that the full amount of the receivable will be collected, a provision is raised for the amount that is doubtful.

The amount of the impairment loss is recognised in the income statement within 'general and administration' expense. When a trade receivable, for which an impairment provision had been recognised, becomes uncollectable it is written off against the impairment provision. Subsequent recoveries of amounts previously written off are credited against 'general and administration' expense in the income statement.

Loans are non-derivative financial assets with fixed or determinable payments and are measured at their amortised cost using the effective interest rate method and are usually interest-bearing. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets, refer notes 12 and 14.

(iii) Investments in equity securities
Investments in listed equity securities are available-for-sale financial assets and are included in non-current assets, refer note 14. Investments in listed equity securities are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. The fair value of the quoted investments is based on current bid prices. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated in the available-for-sale fair value reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments within equity are reclassified to the income statement.

Investments in equity instruments that do not have a quoted market price in an active market, and for which fair value cannot be reliably measured, are recognised at cost less any impairment losses.

(iv) Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which were unpaid at the end of the financial year. These amounts are unsecured. Trade and other payables are included in current liabilities, except for those liabilities where payment is not due within 12 months from reporting date which are classified as non-current liabilities.

Trade and other payables are stated at their amortised cost and are non-interest-bearing, refer note 20.

Note 1. Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

Non-derivative financial instruments (continued)

(v) Interest-bearing liabilities

Bank overdrafts, bank loans, commercial paper, mortgage loans and other loans are initially recognised at their fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities are measured at amortised cost with any difference between the net proceeds and the maturity amount recognised in the income statement over the period of the borrowings using the effective interest rate method, refer note 21.

The Eurobond, Swiss bond, Euro notes and US dollar notes are carried at amortised cost, translated at exchange rates ruling at reporting date. Any difference between amortised cost and their amount at maturity is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Interest-bearing liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Interest-bearing liabilities are classified as current liabilities, except for those liabilities where the consolidated entity has an unconditional right to defer settlement for at least 12 months after the reporting period which are classified as non-current liabilities.

(vi) Other financial liabilities

Other non-derivative financial liabilities comprise forward contracts that the consolidated entity has entered into for the future on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans, refer note 29.

When the financial liability is initially recognised it is reclassified from contributed equity and measured at fair value, which is the present value of the expenditure required to settle the contract. Subsequent to initial recognition the financial liability is measured at amortised cost using the effective interest rate method.

Other financial liabilities are classified as current, except where the contract has a maturity of greater than 12 months after the balance sheet date, in which case the liability is classified as non-current, refer note 22.

Derivative financial instruments

The consolidated entity uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate, commodity price and employee share plan risk arising from operational, financing and investment activities, refer notes 14 and 22.

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into. Subsequent to initial recognition, derivative financial instruments are remeasured to fair value at the end of each reporting period. The gain or loss on remeasurement to fair value is recognised immediately in the income statement unless the derivative is designated and is effective as a hedging instrument, in which event, the timing and the recognition of profit or loss depends on the nature of the hedging relationship.

The consolidated entity designates certain derivatives either as:

- hedges of the exposure to fair value changes in recognised assets or liabilities or firm commitments (fair value hedges);
- hedges of the exposure to variability in cash flows attributable to a recognised asset or liability or highly probable forecast transaction (cash flow hedges); or
- hedges of net investments in foreign operations (net investment hedges).

The consolidated entity documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in note 28. Movements in the cash flow hedge reserve in shareholders equity are shown in note 26. Derivative instruments are classified as non-current assets or liabilities when the remaining maturity of the hedged item is greater than 12 months; and are classified as current assets or liabilities when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement within other income or other expenses.

(i) Fair value hedge

Where a derivative financial instrument is designated as a hedge of exposure to changes in fair value of a recognised asset or liability, the changes in the fair value of the derivative are recognised in the income statement, together with the changes in fair value of the hedged asset or liability attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the income statement within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity using a recalculated effective interest rate.

Note 1. Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

Derivative financial instruments (continued)

(ii) Cash flow hedge
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the hedging reserve. The change in the fair value that is identified as ineffective is recognised immediately in the income statement within other income or other expenses.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset.

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

(iii) Net investment in a foreign operation
Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. Where effective, foreign exchange differences relating to foreign currency transactions hedging a net investment in a foreign operation, together with any related income tax, are transferred to the EFR on consolidation. The ineffective portion is recognised in the income statement.

Upon disposal of the foreign operation the cumulative amount of any gain or loss existing in equity is transferred to the income statement and recognised as part of the gain or loss on the partial disposal or sale of the foreign operation.

Embedded derivatives
Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

(l) Equity

Contributed equity

(i) Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of options are recognised as a deduction from equity, net of any related income tax benefit. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(ii) Repurchase of share capital
Where the consolidated entity purchases the Company's own equity instruments, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. The amount of the consideration paid, including directly attributable costs, is recognised as a deduction from contributed equity, net of any related income tax effects.

(iii) Treasury shares
Where the consolidated entity purchases the Company's own equity instruments, as the result of a share-based payment plan, the consideration paid, including any directly attributable costs, is deducted from equity as treasury shares, net of any related income tax effects. When the treasury shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs and the related income tax effects, is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings.

(iv) Dividends
Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Reserves

(i) Available-for-sale revaluation reserve
Changes in the fair value of investments, such as equities and available-for-sale financial assets, are taken to the revaluation reserve, as described in note 1(k). Amounts are recognised in the income statement when the associated asset is disposed of or impaired.

(ii) Cash flow hedge reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(iii) Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of options and rights recognised as an expense.

(iv) Exchange fluctuation reserve
Exchange differences arising on translation of foreign controlled operations are taken to the EFR, as described in note 1(e). Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed of.

Note 1. Summary of Significant Accounting Policies (continued)

(m) Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle or weighted average cost formula and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In respect of manufacturing inventories and work in progress, cost includes an appropriate proportion of production fixed and variable overheads incurred in the normal course of business. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(n) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs that are related to the acquisition, construction or production of a qualifying asset. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment, excluding freehold land, are depreciated at rates based upon their expected useful lives, or in the case of leasehold improvements and certain leased plant and equipment the lease term, using the straight-line method. Land is not depreciated. Depreciation rates used for each class of asset for the current and comparative periods are as follows:

- Buildings between 1% - 5%
- Finance leased assets between 4% - 20%
- Land improvements between 1% - 3%
- Plant and equipment between 2.5% - 25%

Depreciation methods, residual values and useful lives are reassessed, and adjusted if appropriate, at each reporting date.

If an asset's carrying amount is greater than its estimated recoverable amount (refer note 1(p)), the asset is immediately written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the disposed asset and are included in the income statement in the period the disposal occurs and are recognised net within 'other income' in the income statement.

(o) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and is measured as described in note 1(c). In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is not amortised, instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing, refer note 19. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer note 2).

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, except for those identified as having indefinite useful lives which are not amortised.

(i) Product development

Expenditure on product research activities is recognised in the income statement in the period in which the expenditure is incurred.

Expenditure on development activities associated with product development and innovation is capitalised if the product is technically and commercially feasible, future economic benefits are probable and the consolidated entity intends to and has adequate resources available to complete the development.

Capitalised development expenditure is amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically not exceeding ten years.

(ii) Computer software

Expenditure on significant commercial developments, including major software applications and associated systems, is capitalised and amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically between three to ten years.

Software costs are capitalised as intangible assets if they are separable or arise from contractual or other legal rights and it is probable that the expected future economic benefits attributable to the asset will flow to the consolidated entity, and the cost of the asset can be measured reliably.

Where software is internally generated, only the costs incurred in the development phase are capitalised and these are amortised on a straight-line basis over the period of time during which the benefits are expected to arise, typically a period not exceeding ten years. Software costs which are incurred in the research phase are expensed.

Note 1. Summary of Significant Accounting Policies (continued)

(o) Intangible assets (continued)

Other intangible assets (continued)

(iii) Customer relationships

Customer relationships acquired as part of business combinations are recognised separately from goodwill, and carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis over the estimated useful life of the customer relationship, which ranges from 10 to 20 years.

(p) Impairment

Non-financial assets

The recoverable amount of the consolidated entity's non-financial assets, excluding inventories, deferred tax assets and defined benefit assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset is tested for impairment by comparing its recoverable amount to its carrying amount.

In relation to goodwill and intangible assets that have indefinite useful lives or assets that are not ready for use, impairment testing is completed at each reporting date, or more frequently if events or changes in circumstances indicate that they might be impaired.

In testing for impairment, the recoverable amount is estimated for an individual asset or, if it is not possible to estimate the recoverable amount for the individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the smallest identifiable group of assets that generate cash flows that are largely independent from the cash flows of other assets or group of assets. Each CGU is no larger than an operating segment.

The recoverable amount of an asset or a CGU is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset or CGU and the market's current assessment of the time value of money. An impairment loss is recognised in the income statement if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then, to reduce the carrying amount of the other assets in the CGU (group of CGUs).

Impairment losses recognised in respect of goodwill are not reversed. Impairment losses recognised in prior periods in respect of other assets are assessed at each reporting date for any indications that the impairment loss has decreased or may no longer exist. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset and is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised.

Financial assets

Financial assets are assessed at each reporting period to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if there is objective evidence which indicates that there has been a reduction of the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed in groups which share similar credit risk characteristics.

Impairment losses in respect of a financial asset measured at amortised cost are calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is measured as the difference between the acquisition cost and the current fair value when there is a significant or prolonged decline in the fair value of a financial asset below its cost.

Impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement when the impairment is recognised.

Impairment losses are only reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For financial assets that are measured at amortised cost the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Use of estimates and judgements

The determination of impairment for non-financial assets, financial assets, goodwill and other intangible assets involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of the impairment.

Management is required to make significant judgements concerning the identification of impairment indicators, such as changes in competitive positions, expectations of growth, increased costs of capital, and other factors that may indicate impairment such as a business restructuring. In addition, management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of an asset (or group of assets). Inputs into these valuations require assumptions and estimations to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful lives and residual values.

The judgements, estimates and assumptions used by management in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognition of impairment charges in future periods.

(q) Financial guarantee contracts

Financial guarantee contracts are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts, including Company guarantees of subsidiaries through deeds of cross guarantee, are initially recognised at fair

Note 1. Summary of Significant Accounting Policies (continued)

(q) Financial guarantee contracts (continued)

value and subsequently at the higher of the amount determined in accordance with the consolidated entity's provisions accounting policy (refer note 1(r)) and the amount initially recognised less cumulative amortisation.

The fair value of the financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

(r) Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The present value of a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is virtually certain that the recovery will be received.

Asset restoration and decommissioning
Where the consolidated entity has a legal or constructive obligation to restore a site on which an asset is located either through make-good provisions included in lease agreements or decommissioning of environmental risks, the present value of the estimated costs of dismantling and removing the asset and restoring the site is recognised as a provision with a corresponding increase to the related item of property, plant and equipment.

At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cash flows. Any changes in the liability are added to or deducted from the related asset, other than the unwinding of the discount, which is recognised as a financing cost in the income statement.

Insurance and other claims
The consolidated entity self-insures for various risks around the Group including risks associated with workers' compensation. Provisions for workers' compensation, insurance and other claims are recognised for claims received and claims expected to be received in relation to incidents occurring prior to reporting date, measured based upon historical claim rates.

Estimated net future cash flows are based on the assumption that all claims will be settled and the weighted average cost of historical claims adjusted for inflation will continue to approximate future costs.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the consolidated entity from a contract are lower than the unavoidable costs of meeting the obligations under the contract. The provision is measured as the lower of the cost of fulfilling the contract and any compensation or penalties arising from the failure to fulfil it and is recognised only in respect of the onerous element of the contract. Where the effect of discounting is material, the provision is discounted to its present value.

Restructuring
A provision for restructuring is recognised when the consolidated entity has a detailed formal restructuring plan and the restructuring has either commenced or has been publicly announced. Future operating costs in relation to the restructuring are not provided for.

Where a restructuring plan includes the termination of employees before normal retirement date, or when an employee accepts voluntary redundancy, the consolidated entity recognises a provision for redundancy when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Payments falling due greater than 12 months after reporting date are discounted to present value.

(s) Employee benefits

Wages, salaries, annual leave and sick leave
Liabilities for employee benefits such as wages, salaries, annual leave, sick leave and other current employee entitlements represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates, including related on-costs, such as workers' compensation insurance and payroll tax, that the consolidated entity expects to pay when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee entitlements, all other short-term employee benefit obligations are presented as payables.

Long service leave
Liabilities relating to long service leave are measured as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Liabilities which are not expected to be settled within 12 months are discounted using market yields at the reporting date of high quality corporate bonds. In countries where there is no deep market for corporate bonds (such as Australia), the market yields on government bonds at the reporting date are used. The rates used reflect the terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Summary of Significant Accounting Policies (continued)

(s) Employee benefits (continued)

Profit sharing and bonus plans
A liability and an expense is recognised for profit sharing and bonus plans, including benefits based on the future value of equity instruments and benefits under plans allowing the consolidated entity to settle in either cash or shares. Entitlements under the Employee Bonus Payment Plan (EBPP) are estimated and accrued at the end of the financial reporting period.

Share-based payments
The Company provides benefits to employees (including senior executives) of the consolidated entity in the form of share-based payments, whereby employees render services in exchange for options or rights over shares. Information relating to the Company's share-based payments schemes are set out in note 29.

The fair value of options and rights granted is recognised as an employee benefit expense in the income statement with a corresponding increase in the share-based payments reserve in equity and is spread over the vesting period during which the employees become unconditionally entitled to the option or right. Upon exercise of the options or rights, the balance of the share-based payments reserve, relating to the option or right, is transferred to share capital.

The fair value of options is measured at grant date taking into account market performance conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to be exercisable. The fair value of options granted is measured using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

At each reporting period the consolidated entity revises the estimate of the number of options that are expected to vest based on the non-market vesting conditions. Any impact to the revision of an original estimate is recognised in the income statement with a corresponding adjustment to the share-based payment reserve. The employee expense, recognised each period, reflects the most recent estimate.

The fair value of rights is measured at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined, a Black-Scholes methodology is utilised to determine the fair value of the rights granted.

The dilutive effect, if any, of outstanding options or rights is reflected as additional share dilution in the computation of earnings per share (refer note 10).

Where loans are made to assist in the purchase of shares under a sub-plan, they are treated as a reduction in equity and not recognised as a receivable and the repayments are recorded as contributions to share capital. Shares are held in trust until the loan is settled.

(t) Retirement benefit obligations

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the consolidated entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution funds are recognised as an expense in the income statement as they become payable.

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The consolidated entity's liability or asset recognised in the statement of financial position in respect of defined benefit plans and other post-retirement plans is calculated separately for each plan and is measured as the present value of the future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any plan assets.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the plan to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on national government or investment grade corporate bonds at the reporting date, whose terms to maturity and currency match, as closely as possible, the estimated future cash outflows.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to other comprehensive income in the period in which they occur.

Curtailments are events that materially change the liabilities relating to a plan that are not covered by normal actuarial assumptions. A curtailment gain or loss requires a before and after measurement of the net retirement benefit asset or obligation (being the present value of the defined obligation less fair value of plan assets). Changes in present value of the defined benefit obligation resulting from plan amendments or curtailment are recognised immediately in the income statement.

When the calculation results in a benefit to the consolidated entity, the recognised asset is limited to the present economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, or on settlement of the plan liabilities.

Use of estimates and judgements
In determining the liability or asset that the consolidated entity recognises in the statement of financial position in respect of defined benefit obligations and other post-retirement plans, the main categories of assumptions used in the valuations include: discount rate; rate of inflation; expected return on plan assets; future salary increases; and medical cost trend rates (in the case of the post-retirement

Note 1. Summary of Significant Accounting Policies (continued)

(t) Retirement benefit obligations (continued)

Use of estimates and judgements (continued)
health plans). Refer to note 24 for details of the key assumptions used this financial year in accounting for these plans. The assumptions made have a significant impact on the calculations and any adjustments arising thereon.

(u) Discontinued operations

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. An operation would be classified as held for sale if the carrying value of the assets of the operation will be principally recovered through a sale transaction rather than continuing use.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

(v) Earnings per share (EPS)

The consolidated entity presents basic and diluted EPS data for its ordinary shares.

Basic earnings per share
Basic EPS is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the reporting period, by the weighted average number of ordinary shares on issue during the reporting period excluding ordinary shares purchased by the Company and held as treasury shares (refer note 25), adjusted for any bonus issue.

Diluted earnings per share
Diluted EPS is calculated by adjusting the basic EPS for the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, which comprise share options and rights granted to employees.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average market price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary shares.

(w) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price. The quoted market price used for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods, including discounted cash flows to calculate the fair value of financial instruments. These calculations are performed using current market inputs which may include the use of interest and forward exchange rates ruling at balance date. The consolidated entity makes assumptions concerning these valuations that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

(x) New accounting standards and interpretations not yet adopted

The following new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) have been identified as those which may have a material impact on the consolidated entity in the period of initial application. They are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the consolidated entity.

- AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. A number of new standards also include amendments to AASB 9. These include:
  (i) Part C of AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*;
  (ii) AASB 2014-1 *Amendments to Australian Accounting Standards Part E: Financial Instruments*
  (iii) AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010); and
  (iv) AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*

  The standard must be applied for financial years beginning on or after 1 January 2018. Early adoption is permitted.

Note 1. Summary of Significant Accounting Policies (continued)

(x) New accounting standards and interpretations not yet adopted (continued)

Management has assessed the potential effect of the standard on the financial results of the consolidated entity upon adoption. When adopted, the standard will affect the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. It is not expected to have a material impact on the classification and measurement of the financial assets and financial liabilities of the consolidated entity.

The new hedging rules of the standard generally align hedge accounting more closely with an entity's risk management practices. When adopted, the new hedging rules are not expected to have a material impact on the accounting of the consolidated entity's hedging arrangements. However, the new standard will result in expanded disclosures and change in presentation for the consolidated entity's hedging arrangements. Management has decided not to early adopt these new hedging rules and the other requirements of AASB 9.

- AASB 2014-1 *Amendments to Australian Accounting Standards Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles.* Part A of this standard makes various amendments to Australian Accounting Standards arising from the issuance by the IASB of equivalent annual improvements to IFRSs 2010-2012 and 2011-2013 Cycles. Part A of this standard is mandatory for the 30 June 2015 consolidated financial statements. The potential effect of these amendments on the financial results of the consolidated entity has yet to be fully determined.
- AASB 2014-1 A*mendments to Australian Accounting Standards Part B – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)*. Part B of this standard amends AASB 119 Employee Benefits in relation to the requirements for contributions from employees or third parties that are linked to service. It permits an entity to recognise contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of services. However, if the amount of contributions is dependent on the number of years of service, an entity is required to attribute those contributions to the periods of service using the same attribution method as required for gross benefit. This amendment is mandatory for the 30 June 2015 consolidated financial statements. Management has assessed the potential effect of this amendment which is not expected to have a material impact to the consolidated entity's financial statements.
- The following new accounting standards and amendments to accounting standards are not expected to have a material effect on the financial results of the consolidated entity:
  - *(i)* AASB 1031 *Materiality* has been revised. The revised standard is an interim standard that cross-references to other Standards and the *Framework for the Preparation and Presentation of Financial Statements* that now contains guidance on materiality. The revised standard is mandatory for the 30 June 2015 consolidated financial statements.
  - *(ii)* Part A and B of AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*. The Part A amendments update references to the AASB *Framework* while Part B amends a number of standards and interpretations to delete references to AASB 1031 *Materiality*. These amendments are mandatory for the 30 June 2015 consolidated financial statements.
  - *(iii)* AASB 14 *Regulatory Deferral Accounts* specifies the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. This standard applies to annual reporting periods beginning on or after 1 January 2016.
  - *(iv)* AASB 2014-1 *Amendments to Australian Accounting Standards Part C: Materiality; Part D: Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts*.

(y) Parent entity financial information

The financial information for the parent entity Amcor Limited, disclosed in note 35, has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries
In the Company's financial statements, investments in subsidiaries are carried at cost less, where applicable, accumulated impairment losses.

Tax consolidation regime
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Amcor Limited.

The Company, and the members of the tax-consolidated group, recognise their own current tax expense/income and deferred tax assets and liabilities arising from temporary differences using the 'stand alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

In addition to its current and deferred tax balances, the Company also recognises the current tax liabilities (or assets), and the deferred tax assets arising from unused tax losses and unused tax credits assumed from members of the tax-consolidated group, as part of the tax-consolidation arrangement. Assets or liabilities arising under tax funding agreements with members of the tax-consolidated group are recognised as current amounts receivable or payable from the other entities within the tax-consolidated group.

Note 1. Summary of Significant Accounting Policies (continued)

(y) Parent entity financial information (continued)

Nature of tax funding agreement
The Company, as the head entity of the tax-consolidated group, in conjunction with the other members of the tax-consolidated group, has entered into a tax funding agreement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding agreement requires payment to/from the head entity equal to the current tax liability/asset assumed by the head entity of the tax-consolidated group, resulting in the head entity recognising an intercompany receivable/payable equal to the amount of the tax liability/asset assumed.

The agreement requires wholly-owned subsidiaries to make contributions to the Company for tax liabilities arising from external transactions during the period. The contributions are calculated as if each subsidiary continued to be a standalone taxpayer in its own right. The contributions are payable annually and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authority.

Financial guarantee contracts
Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

Share-based payments
When the Company grants options or rights over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investment in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

(z) Prior period restatement

The following extracts from the prior period financial statements illustrate the impact upon the comparative period as a result of the discontinued operation restatement (refer note 3) and the application of the revised AASB 119 *Employee Benefits* which must be adopted retrospectively (refer note 1(b)(i)).

	Year ending 30 June 2013				
$ million	Previously reported	Discontinued Operations	Restated for Discontinued Operations	Accounting Standard Change	Restated
Continuing Operations					
Sales revenue	**12,425.3**	**(2,939.5)**	**9,485.8**	**-**	**9,485.8**
Cost of sales	(10,229.9)	2,492.4	(7,737.5)	(0.3)	(7,737.8)
Gross profit	**2,195.4**	**(447.1)**	**1,748.3**	**(0.3)**	**1,748.0**
Other Income	187.0	(73.0)	114.0	(0.9)	113.1
Sales and marketing expenses	(346.3)	141.1	(205.2)	-	(205.2)
General and administration expenses	(979.4)	347.6	(631.8)	(2.8)	(634.6)
Research costs	(65.6)	(0.4)	(66.0)	-	(66.0)
Share of net profit of equity accounted investments	25.8	-	25.8	-	25.8
Profit from operations	**1,016.9**	**(31.8)**	**985.1**	**(4.0)**	**981.1**
Finance income	27.2	(1.5)	25.7	(5.0)	20.7
Finance expenses	(247.3)	41.6	(205.7)	(6.1)	(211.8)
Net finance costs	**(220.1)**	**40.1**	**(180.0)**	**(11.1)**	**(191.1)**
Profit before related income tax expense	**796.8**	**8.3**	**805.1**	**(15.1)**	**790.0**
Income tax expense	(168.4)	(7.6)	(176.0)	3.0	(173.0)
Profit for the financial period from continuing operations	**628.4**	**0.7**	**629.1**	**(12.1)**	**617.0**
Discontinued Operations					
Loss from discontinued operations	-	(0.7)	(0.7)	(4.8)	(5.5)
Profit for the financial period	**628.4**	**-**	**628.4**	**(16.9)**	**611.5**
Profit attributable to:					
Owners of Amcor Limited	600.6	-	600.6	(16.9)	583.7
Non-controlling interest	27.8	-	27.8	-	27.8
	628.4	**-**	**628.4**	**(16.9)**	**611.5**
Cents					
Earnings per share for profit attributable to the ordinary equity holders of Amcor Limited					
Basic earnings per share	49.8	-	49.8	(1.4)	48.4
Diluted earnings per share	49.0	-	49.0	(1.4)	47.6

Note 1. Summary of Significant Accounting Policies (continued)

(z) Prior period restatement (continued)

$ million	Year ending 30 June 2013 Previously reported	Accounting Standard Change	Restated
Statement of comprehensive income (extract)			
Profit for the financial period	**628.4**	**(16.9)**	**611.5**
Items that will not be reclassified to profit or loss:			
Exchange Fluctuation Reserve	243.3	(0.3)	243.0
Retained earnings			
Actuarial losses on defined benefit plans	(74.4)	16.6	(57.8)
Tax on actuarial losses on defined benefit plans	16.4	(3.5)	12.9
Other comprehensive income/(loss) for the financial period, net of tax	**186.8**	**12.8**	**199.6**
Total comprehensive income for the financial period	**815.2**	**(4.1)**	**811.1**
Total comprehensive income attributable to:			
Owners of Amcor Limited	797.7	(4.1)	793.6
Non-controlling interest	17.5	-	17.5
	815.2	**(4.1)**	**811.1**

$ million	30 June 2013			1 July 2012		
	Previously reported	Accounting Standard Change	Restated	Previously reported	Accounting Standard Change	Restated
Balance sheet (extract)						
Non-current assets						
Deferred tax assets	177.7	(0.5)	177.2	143.6	(2.2)	141.4
Retirement benefit assets	33.9	1.7	35.6	64.1	0.1	64.2
Current liabilities						
Provisions	293.8	1.1	294.9	297.0	1.0	298.0
Non-current liabilities						
Deferred tax liabilities	281.2	0.5	281.7	212.3	0.6	212.9
Provisions	174.3	7.7	182.0	167.6	6.8	174.4
Retirement benefit obligations	352.0	(11.0)	341.0	348.9	(17.6)	331.3
Net assets	**3,700.9**	**2.9**	**3,703.8**	**3,379.6**	**7.1**	**3,386.7**
Equity						
Reserves	(776.2)	(0.3)	(776.5)	(994.0)	0.1	(993.9)
Retained Earnings	562.3	3.2	565.5	500.7	7.0	507.7
Total Equity	**3,700.9**	**2.9**	**3,703.8**	**3,379.6**	**7.1**	**3,386.7**

Note 2. Segment Information

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components.

All operating segment results are regularly reviewed by the consolidated entity's chief operating decision maker which has been identified as the Corporate Executive Team (CET). The CET consists of the Managing Director and Chief Executive Officer, and other Senior Executives of the consolidated entity. The CET provides the strategic direction and management oversight of the day to day activities of the consolidated entity in terms of monitoring results, providing approval for capital expenditure decisions and approving strategic planning for the businesses.

(a) Description of segments

Reportable segments
The consolidated entity is organised on a global basis into the following reportable segments:

Amcor Rigid Plastics
This segment manufactures rigid plastic containers from various materials for a broad range of predominantly beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items and plastic caps for a wide variety of applications.

Amcor Flexibles
This reportable segment represents the aggregation of three operating segments of which each manufactures flexible and film packaging for their respective industries. The operating segments are:

- Amcor Flexibles Europe & Americas which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy, pet food packaging, champagne and wine closures and also provides packaging for the pharmaceutical sector including high value-added medical applications.
- Amcor Tobacco Packaging which manufactures flexible packaging for specialty folding cartons for tobacco packaging.
- Amcor Flexibles Asia Pacific which provides packaging for the food and beverage industry including confectionery, coffee, fresh food and dairy and also provides packaging for the pharmaceutical sector and home and personal care.

Management believe that it is appropriate to aggregate these three operating segments as one reportable segment due to the similarities in the nature of each operating segment.

Other/Investments
This segment holds the consolidated entity's associate investment in AMVIG Holdings Limited (AMVIG) and the equity accounted investment in the jointly controlled entity Discma AG (Discma). AMVIG is principally involved in the manufacture of tobacco packaging while Discma's operations primarily relate to the development and licensing of packaging product innovations. In addition to holding the equity accounted investments in AMVIG and Discma, this segment also includes the Corporate function of the consolidated entity.

Amcor Australasia and Packaging Distribution
This segment manufactures a wide range of products including corrugated boxes; cartons and folding cartons; aluminium beverage cans; plastic closures; glass wine and beer bottles; multiwall sacks; cartonboard and recycled paper. The distribution operations of this segment purchases, warehouses, sells and delivers a wide variety of packaging and related products.

On 31 December 2013 this reportable segment was demerged and has been treated as a discontinued operation within this annual financial report, refer note 3.

Geographic segments
Although the consolidated entity's operations are managed on a global basis, they operate in the following significant countries:

Australia
The areas of operations are principally flexible packaging which is part of the Flexibles Asia Pacific business segment and the global head office which is part of the Other/Investments segment. All other operations in Australia were demerged on 31 December 2013.

Europe
The Amcor Flexibles Europe and Americas and Amcor Tobacco Packaging operating segments operate manufacturing facilities across Eastern and Western Europe.

Latin America
The Amcor Rigid Plastics, Amcor Flexibles Europe and Americas and Amcor Tobacco Packaging operating segments operate manufacturing facilities in Latin America.

Switzerland
In addition to the headquarters of the Amcor Flexibles Europe & Americas and the Amcor Tobacco Packaging operating segments being managed out of this country, several other corporate functions, which support the consolidated entities activities across the UK and Europe, are also based in Switzerland. A number of manufacturing facilities for both flexible and tobacco packaging also operate within the country.

Note 2. Segment information (continued)

(a) Description of segments (continued)

Geographic segments (continued)

United Kingdom
The Amcor Flexibles Europe and Americas and Amcor Tobacco Packaging operating segments operate manufacturing facilities in the United Kingdom.

United States of America
The Rigid Plastics, Australasia and Packaging Distribution and Flexibles reportable segments operate manufacturing and distribution facilities in this country. Areas of manufacturing include the production of containers and preforms for a wide variety of food and beverage applications and supply of plastic containers to the personal care, household chemical and agro-chemical industries. Other areas also include distribution and manufacturing of corrugated sheets and the manufacture of specialty folding cartons for tobacco packaging.

(b) Notes to and forming part of the segment information

The segment information is prepared in conformity with the accounting policies of the consolidated entity and the accounting standard AASB 8 *Operating Segments.*

Segment revenues, expenses and results include transfers between segments. Such transfers between segments are generally priced on an 'arm's length' basis and are eliminated on consolidation.

The segment profit measure reported to the CET for the purposes of resource allocation and assessment is profit before interest, related income tax expense and significant items and therefore excludes the effects of non-recurring expenditure from the operating segments.

Furthermore the profit measure includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis but excludes interest income and expenditure and other finance costs as this type of activity is driven by the central Amcor Group Treasury function, which manages the cash position of the consolidated entity.

Comparative information has been presented in conformity with the identified reportable segments of the consolidated entity as at the reporting date in accordance with AASB 8.

Note 2. Segment Information (continued)

(c) Segment information provided to the CET

The following segment information was provided to the CET for the reportable segments for the financial years ended 30 June 2014 and 2013:

	Continuing Operations											
	Amcor Rigid Plastics		Amcor Flexibles		Other/Investments		Total		Amcor Australasia and Packaging Distribution (discontinued)		Total Operations	
$ million	2014	2013 Restated [1]	2014	2013 Restated [1]	2014	2013 Restated [1]	2014	2013 Restated [1]	2014	2013 Restated [1]	2014	2013 Restated [1]
Reportable segment revenue												
Revenue from external customers	**3,477.1**	3,094.5	**7,376.3**	6,391.3	**-**	-	**10,853.4**	9,485.8	**1,615.4**	2,939.5	**12,468.8**	12,425.3
Inter-segment revenue	**-**	-	**8.0**	13.7	**-**	-	**8.0**	13.7	**1.8**	3.3	**9.8**	17.0
Total reportable segment revenue	**3,477.1**	3,094.5	**7,384.3**	6,405.0	**-**	-	**10,861.4**	9,499.5	**1,617.2**	2,942.8	**12,478.6**	12,442.3
Reportable segment profit/(loss)												
Profit/(loss) before depreciation, amortisation, interest, related income tax expense and significant items	**482.5**	423.9	**1,143.8**	952.0	**(39.5)**	(34.7)	**1,586.8**	1,341.2	**157.2**	259.8	**1,744.0**	1,601.0
Depreciation and amortisation	**(157.8)**	(144.7)	**(247.8)**	(211.2)	**(3.9)**	(1.8)	**(409.5)**	(357.7)	**(61.4)**	(118.4)	**(470.9)**	(476.1)
Profit/(loss) before interest, related income tax expense and significant items	**324.7**	279.2	**896.0**	740.8	**(43.4)**	(36.5)	**1,177.3**	983.5	**95.8**	141.4	**1,273.1**	1,124.9
Significant items before related income tax expense (refer note 7)	**-**	-	**-**	-	**-**	(2.4)	**-**	(2.4)	**(166.6)**	(114.4)	**(166.6)**	(116.8)
Profit/(loss) before interest and related income tax expense	**324.7**	279.2	**896.0**	740.8	**(43.4)**	(38.9)	**1,177.3**	981.1	**(70.8)**	27.0	**1,106.5**	1,008.1
Share of net profits of equity accounted investments	**-**	-	**-**	-	**21.9**	25.8	**21.9**	25.8	**-**	-	**21.9**	25.8
Other non-cash items												
Impairment losses, net of reversals - trade receivables	**(0.8)**	0.2	**0.2**	(1.5)	**-**	-	**(0.6)**	(1.3)	**(2.6)**	(4.2)	**(3.2)**	(5.5)
Impairment losses, net of reversals - inventories	**-**	-	**2.4**	1.5	**-**	-	**2.4**	1.5	**(8.9)**	(4.5)	**(6.5)**	(3.0)
Impairment losses on property, plant and equipment and other non-current assets	**-**	-	**(0.3)**	(1.4)	**-**	-	**(0.3)**	(1.4)	**(201.1)**	(80.5)	**(201.4)**	(81.9)
Reversal of impairment losses on property, plant and equipment and	**-**	-	**0.2**	-	**-**	-	**0.2**	-	**-**	-	**0.2**	-
Acquisition of property, plant and equipment and intangibles	**136.7**	143.8	**208.8**	166.7	**16.7**	12.9	**362.2**	323.4	**61.1**	152.3	**423.3**	475.7
Receivables	**371.0**	371.5	**1,135.5**	1,070.0	**46.7**	90.8	**1,553.2**	1,532.3	**-**	380.7	**1,553.2**	1,913.0
Inventory	**510.5**	538.1	**900.5**	879.6	**-**	-	**1,411.0**	1,417.7	**-**	396.9	**1,411.0**	1,814.6
Payables	**(921.6)**	(951.1)	**(1,559.1)**	(1,437.7)	**(114.0)**	(130.0)	**(2,594.7)**	(2,518.8)	**-**	(490.4)	**(2,594.7)**	(3,009.2)
Working capital	**(40.1)**	(41.5)	**476.9**	511.9	**(67.3)**	(39.2)	**369.5**	431.2	**-**	287.2	**369.5**	718.4
Average funds employed	**1,775.1**	1,654.4	**3,693.0**	3,093.9	**610.7**	529.3	**6,078.8**	5,277.6	**915.4**	1,650.5	**6,994.2**	6,928.1
Investment in equity accounted investments and Joint Ventures	**-**	-	**-**	-	**516.8**	499.5	**516.8**	499.5	**-**	-	**516.8**	499.5

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Note 2. Segment Information (continued)

(d) Other segment information

(i) Segment revenue

The revenue from external parties reported to the CET is measured in a manner consistent with that in the income statement.

Segment revenue reconciles to statutory revenue and other income from continuing operations as follows:

$ million	2014	2013 Restated [1]
Reportable segment revenue		
Total reportable segment revenue	**10,861.4**	9,499.5
Elimination of inter-segment revenue	**(8.0)**	(13.7)
Revenue from external customers	**10,853.4**	9,485.8
Other income	**126.9**	113.1
Finance income	**30.8**	20.7
Consolidated revenue and other income from continuing operations	**11,011.1**	9,619.6

The table below shows sales revenue by product type from continuing operations:

$ million	2014	2013
Sales revenue by product from continuing operations		
Rigid plastics packaging	**3,477.1**	3,094.5
Flexible and film packaging	**5,762.1**	5,004.2
Tobacco packaging	**1,614.2**	1,387.1
Consolidated sales revenue from continuing operations	**10,853.4**	9,485.8

(ii) Segment profit/(loss)

Segment profit/(loss) reconciles to statutory profit/(loss) before related income tax expense for continuing operations as follows:

Reportable segment profit from continuing operations		
Profit before interest and related income tax expense	**1,177.3**	981.1
Finance income	**30.8**	20.7
Finance expense	**(241.2)**	(211.8)
Profit before related income tax expense	**966.9**	790.0

(iii) Segment receivables

Segment receivables reconciles to statutory consolidated trade and other receivables as follows:

Working capital receivables		
Total reportable segment working capital receivables	**1,553.2**	1,913.0
Financial instruments included for management reporting purposes	**(8.9)**	(36.8)
Other current assets included for management reporting purposes	**(88.1)**	(121.7)
Financial instruments and other assets excluded for management reporting purposes	**26.5**	75.0
Consolidated trade and other receivables (note 12)	**1,482.7**	1,829.5

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Note 2. Segment Information (continued)

(d) Other segment information (continued)

(iv) Segment payables

Segment payables reconciles to statutory consolidated trade and other payables as follows:

$ million	2014	2013
Working capital payables		
Total reportable segment working capital payables	**(2,594.7)**	(3,009.2)
Financial instruments included for management reporting purposes	**11.8**	16.3
Capital creditors and other payables excluded for management reporting purposes	**(61.0)**	(94.6)
Consolidated trade and other payables (note 20)	**(2,643.9)**	(3,087.5)

(v) Segment property, plant and equipment

Segment acquisition of property, plant and equipment and intangibles reconciles to statutory consolidated acquisition of property, plant and equipment and intangibles as follows:

Acquisition of property, plant and equipment and intangibles		
Total reportable segment acquisition of property, plant and equipment and intangibles	**423.3**	475.7
Movement in capital creditors	**(25.5)**	9.7
Capitalised interest	**-**	14.0
Movement in prepaid capital items	**0.5**	4.2
Capitalised asset restoration costs	**(5.7)**	3.0
Non-controlling interest assets contribution	**2.7**	-
Government subsidised constructions	**9.1**	-
Other non-cash adjustments	**10.2**	1.1
Consolidated acquisition of property, plant and equipment and intangibles[1]	**414.6**	507.7

[1] Additions for the period, excluding acquired balances through business combinations. Refer notes 17 and 19.

(e) Geographical information

(i) Revenues

In presenting information on the basis of geographical segments, segment revenue is based on location of Amcor businesses:

$ million	2014	2013 Restated [2]
Revenues		
Geographical segment revenue		
Australia	**429.0**	457.3
Europe	**3,698.1**	3,213.5
Latin America	**1,179.7**	1,044.8
Switzerland	**595.9**	441.8
United Kingdom	**439.2**	445.9
United States of America	**3,158.7**	2,730.7
Other	**1,352.8**	1,151.8
Consolidated sales revenue from continuing operations	**10,853.4**	9,485.8

(ii) Non-current assets

Segments assets are based on the location of the assets:

$ million	2014	2013
Non-current assets		
Australia	**287.6**	1,976.7
Europe	**1,085.3**	1,097.0
Latin America	**363.1**	378.5
Switzerland	**286.5**	266.4
United Kindom	**731.4**	708.7
United States of America	**1,723.1**	2,032.7
Other	**1,380.3**	1,436.0
Consolidated non-current assets[3]	**5,857.3**	7,896.0

[2] The prior period comparative has been restated as a result of discontinued operation presentation. Refer to note 3.
[3] Non-current assets excludes retirement benefit assets, deferred tax assets and non-current financial instruments.

(f) Major Customer

No single customer generates revenue greater than 10% of the consolidated entity's total revenues.

Note 3. Discontinued Operations

Effective 31 December 2013 the Amcor Australasia and Packaging Distribution (AAPD) business was demerged and is reported as a discontinued operation in this annual financial report. The business group consists of two businesses being Australasia and Packaging Distribution. The Australasia business is focused on fibre (recycled paper, corrugated boxes, cartons and sacks and distribution of packaging materials) and beverage (glass bottles, beverage cans and wine closures) packaging within Australia and New Zealand. The Packaging Distribution operation is predominantly located in North America and is focused on the distribution of packaging materials. It also has integrated corrugated sheet and box manufacturing and equipment sales.

The scheme of arrangement for the demerger of the AAPD business was approved by shareholders at the Scheme Meeting held on 9 December 2013. The consolidated entity then lodged the orders with the Supreme Court of Victoria and the Australian Securities and Investments Commission and successfully demerged the business on 17 December 2013. On 18 December 2013 the AAPD business was listed on the Australian Securities Exchange as Orora Limited (Orora) with the implementation date of the demerger being 31 December 2013.

As a result of the demerger, on 31 December 2013, the consolidated entity recognised a loss of $65.4 million and shareholders' equity was reduced by $1,473.4 million. The reduction in shareholders' equity is represented by a capital reduction of $908.9 million against contributed equity and the establishment of a demerger reserve of $564.5 million.

The financial performance, cash flow and the financial position information of the demerged business for the six months to 31 December, is presented below:

(a) Results of discontinued operation

$ million	**2014**	2013 Restated [1]
Revenue	**1,617.2**	2,942.8
Expenses	**(1,539.9)**	(2,843.6)
Profit before significant items and income tax expense	**77.3**	99.2
Income tax expense	**(23.8)**	(18.2)
Profit from discontinued operations before significant items	**53.5**	81.0
Significant items		
Disposal of Fairfield property	**-**	57.3
Australasia restructuring	**-**	(83.5)
Asset impairments, net of reversals	**(210.0)**	(88.2)
Legal costs[2]	**(16.6)**	-
Gain on demerger	**111.0**	-
Transaction and separation costs	**(51.0)**	
Significant items before related income tax expense	**(166.6)**	(114.4)
Income tax (expense)/benefit[3]	**(59.1)**	27.9
Total significant items, net of tax	**(225.7)**	(86.5)
Total loss from discontinued operations	**(172.2)**	(5.5)

[1]The prior period comparative has been restated as a result of the change in accounting standard for defined benefit obligations, refer to note 1(b) and 1(z).
[2]Legal costs relate to expenditure associated with the defence and settlement of claims with respect to Australian Competition and Consumer Commission and New Zealand Commerce Commission matters.
[3]Included in the income tax expense figure is an expense of $114.0 million being the derecognition of deferred tax assets relating to carried forward tax losses. As a result of the demerger it is no longer considered probable that future taxable profit will be available in the Australian Tax Group against which the unused tax losses can be utilised.

	Cents	Cents
Earnings per share for profit from discontinued operation attributable to the ordinary equity holders of Amcor Limited		
Basic earnings per share	**(14.3)**	(0.5)
Diluted earnings per share	**(14.0)**	(0.5)

Note 3. Discontinued Operations (continued)

(b) Cash flows from/(used in) discontinued operations

$ million	2014	2013 Restated [1]
Net cash flows from/(used in) operating activities	**20.2**	87.8
Net cash flows from/(used in) investing activities	**(67.0)**	(109.1)
Net cash flows from/(used in) financing activities	**91.0**	37.6
Net cash flows for the period	**44.2**	16.3

[1] The prior period comparative has been restated as a result of the change in the accounting standard for defined benefit obligations, refer to note 1(b).

(c) Loss on demerger of AAPD

$ million	2014
Fair value of Orora shares	1,473.4
Carrying amount of net assets divested	(1,397.8)
Gain on demerger	**75.6**
One-off transaction costs	(51.0)
Recycling of foreign currency translation reserve, other comprehensive items and foreign exchange translation of demerged business	35.4
Net gain on demerger before related income tax expense	**60.0**
Income tax expense[1]	(125.4)
Net loss on demerger of AAPD	**(65.4)**

[1] Included in the income tax expense figure is an expense of $114.0 million being the derecognition of deferred tax assets relating to carried forward tax losses. As a result of the demerger it is no longer considered probable that future taxable profit will be available in the Australian Tax Group against which the unused tax losses can be utilised.

The fair value of the Orora shares was determined with reference to the Volume Weighted Average Price (VWAP) over the first five trading days of Orora Limited on the Australian Securities Exchange from 17 December 2013. The fair value of Orora was $1.22 per share, applied to the 1,206.7 million ordinary shares on issue giving a capitalisation value of $1,473.4 million. The table below identifies the Orora net assets divested as at 31 December 2013.

Carrying value of net assets divested

$ million	2014
Cash and cash equivalents	68.5
Trade and other receivables	486.7
Inventories	399.5
Property, plant and equipment	1,556.3
Deferred tax assets	96.1
Intangible assets	240.3
Other assets	111.9
Total assets	**2,959.3**
Trade and other payables	(568.7)
Borrowings	(762.9)
Current provisions	(136.6)
Deferred tax liability	(64.5)
Non-current provisions	(28.8)
Total liabilities	**(1,561.5)**
Net assets and liabilities divested	**1,397.8**

Note 3. Discontinued Operations (continued)

(d) Other Business Disposals during the year ended 30 June 2014

Other than the demerger of the Amcor Australasia and Packaging Distribution business, discussed in note 3, the consolidated entity did not dispose of any business during the financial year ended 30 June 2014.

Disposals during the year ended 30 June 2013

On 31 January 2013 the consolidated entity completed the sale of three industrial and agricultural film sites located across Australia to Integrated Packaging Group for sale proceeds of $21.8 million. These sites were purchased as part of the Aperio acquisition and were included within the Amcor Flexibles reporting segment. There was no profit or loss recognised on the disposal of these sites.

Note 4. Business Combinations

(a) Acquisitions made during the financial year ended 30 June 2014

On 21 October 2013, the consolidated entity successfully completed the acquisition of the flexible packaging operations of the Jiangsu Shenda Group with the consolidated entity acquiring 100% of the business for $60.8 million (RMB 350.0 million).

The acquired business operates out of two plants in the Jiangsu province in Eastern China and services the pharmaceutical, snacks and culinary end markets and is a strong fit with the consolidated entity's existing plant in the Jiangsu province. Following the acquisition the consolidated entity will be the market leader in Eastern China with a strong position in both film manufacturing and conversion, goodwill of $32.1 million has been recorded at 30 June 2014.

On 31 March 2014, the consolidated entity successfully completed the acquisition of 100% of Detmold Flexibles a privately-owned Australian flexible packaging business for $50.0 million. Detmold Flexibles operates two plants in Melbourne and has sales of approximately $55 million, goodwill of $17.9 million has been recorded at 30 June 2014.

The aggregate purchase consideration, the fair value of net assets acquired and goodwill for Jiangsu Shenda, Detmold Flexibles and other individually immaterial acquisitions occurring during the year are as follows:

$ million	2014
Purchase consideration	
Cash paid	**118.2**
Deferred consideration	**2.5**
Total purchase consideration	**120.7**

The assets and liabilities recognised as a result of the individually immaterial acquisitions during the year are as follows:

$ million	Fair value
Fair value of net assets acquired	
Cash and cash equivalents	**3.6**
Trade and other receivables	**29.5**
Inventories	**18.1**
Property, plant and equipment	**41.2**
Deferred tax assets	**0.5**
Other non-current assets	**2.8**
Trade and other payables	**(20.6)**
Current tax liabilities	**(0.1)**
Current provisions	**(1.0)**
Deferred tax liabilities	**(1.8)**
Non-current provisions	**(0.7)**
Fair value of net identifiable assets acquired	**71.5**
Add goodwill	**52.0**
Bargain purchase recognised in other income	**(2.8)**
Fair value of net assets acquired	**120.7**
Outflow of cash to acquire entities, net of cash acquired:	
Cash consideration	**118.2**
Less: Balances acquired	
Cash	**(3.6)**
Outflow of cash	**114.6**

Note 4. Business Combinations (continued)

(b) Acquisitions during the financial year ended 30 June 2013 where the acquisition accounting has been finalised during the current year

AGI-Shorewood acquisition

(i) Summary of acquisition

On 15 February 2013 the consolidated entity announced the acquisition of AGI-Shorewood's tobacco packaging and specialty folding carton operations for $111.3 million (US$114.8 million). The acquired business includes the 100% purchase of the AGI-Shorewood operations located in the USA, selected operations situated in Mexico and China and 90% of the business located in South Korea.

Details of the business combination were disclosed and preliminary accounting presented in note 3 of the consolidated entity's 30 June 2013 Annual Report.

Changes to the preliminary acquisition balance sheet presented at 30 June 2013

As permitted under Australian Accounting Standards, the consolidated entity has 12 months from acquisition date to finalise the fair value of net assets acquired and goodwill. During the financial year ended 30 June 2014, the consolidated entity finalised this preliminary accounting resulting in a $9.4 million decrease in net identifiable assets acquired, a $0.2m decrease in non-controlling interest and a $3.1 million reduction in the purchase consideration resulting in a $6.1 million increase in goodwill from those amounts disclosed at 30 June 2013.

(ii) Goodwill

Goodwill on acquisition is primarily attributable to expected synergies available to the consolidated entity upon the integration of the businesses into the Group, as well as benefits from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill recognised on acquisition is not considered deductible for tax purposes

(iii) Acquired receivables

The fair value of acquired trade receivables is $10.8 million. The gross contractual amount for trade receivables due is $11.0 million of which $0.2 million has been provided for potential impairment losses.

(iv) Non-controlling interest

In accordance with the accounting policy set out in note 1(c), the consolidated entity elected to recognise the non-controlling interests in AGI-Shorewood at its proportionate share of the acquired net identifiable assets

Details of the purchase consideration, the fair value of net assets acquired and goodwill are as follows:

$ million	
Purchase consideration	
Cash paid	**111.3**
Completion adjustments	**(3.1)**
Total purchase consideration	**108.2**

The assets and liabilities recognised as a result of the acquisition are as follows:

$ million	Fair value
Fair value of net assets acquired	
Trade and other receivables	**12.5**
Inventories	**9.6**
Property, plant and equipment	**55.7**
Deferred tax assets	**6.1**
Intangible assets	**4.2**
Other non-current assets	**0.2**
Trade and other payables	**(6.4)**
Current tax liabilities	**(0.7)**
Current provisions	**(5.1)**
Deferred tax liabilities	**(5.5)**
Non-current provisions	**(2.2)**
Retirement benefits	**(1.3)**
Fair value of net identifiable assets acquired	**67.1**
Less non-controlling interest	**(3.4)**
Add goodwill	**44.5**
Fair value of net assets acquired	**108.2**

Note 4. Business Combinations (continued)

(c) Acquisitions during the financial year ended 30 June 2013 where the acquisition accounting has been finalised during the current year (continued)

AGI-Shorewood acquisition (continued)

Total purchase consideration paid in respect of the acquisition was $111.3 million of which $3.1 million was received from the vendor during the financial year ended 30 June 2014 as a result of the post-close adjustment process.

(v) Purchase Consideration

$ million	
Outflow of cash to acquire entities, net of cash acquired:	
Cash consideration	**111.3**
Less: Balances acquired	
Cash	**(3.1)**
Outflow of cash	**108.2**

(vi) Acquisition Costs
During the twelve months to 30 June 2013 $1.9 million of acquisition costs were recognised as an expense and classified as 'general and administration' expenses in the income statement, no further acquisition costs were incurred in the twelve months to 30 June 2014.

(d) Acquisitions finalised during the financial year ended 30 June 2013

- During the 12 months ended 30 June 2013 the consolidated entity finalised the acquisition accounting of the 100% acquisition of the Aperio Group, one of Asia Pacific's leading producers of flexible packaging products. The acquisition was successfully completed on 11 May 2012 and brought together two leaders in flexible packaging in Australasia. Total purchase consideration paid was $240.9 million and the fair value of net identifiable assets acquired was $118.0 million with final goodwill recorded of $122.9 million.
- On 2 July 2012, the consolidated entity acquired 100% of IPC Tobacco Argentina S.A., a tobacco packaging business in Piso, Argentina. In addition, the consolidated entity acquired the business and assets of Aluprint on 17 July 2012 which included a tobacco packaging plant in Monterrey, Mexico. Both of these acquired businesses are included in the Flexibles reporting segment and will help strengthen the consolidated entity's value proposition to clients by establishing a local presence in the Latin American market.
- On 3 July 2012, the Australian Corrugated Specialty division acquired the business assets of Wayne Richardson Sales, an independently owned packaging and industrial distributor with eight distribution centres across Australia. The business is a distributor of a broad range of industrial packaging and packaging consumables to small and medium sized customers and is included in the Amcor Australasia and Packaging Distribution operating segment.
- On 15 November 2012, the Flexibles reporting segment acquired Uniglobe, a flexible packaging company operating from a single site located in India. The acquisition sees Amcor's footprint in the high-growth Indian market expand to five manufacturing sites.

Notes to the financial statements

30 June 2014

Note 5. Revenue, Other Income and Finance Income

$ million	2014	2013 Restated (1)
Revenue from continuing operations		
Sales revenue		
Revenue from sale of goods	**10,853.4**	9,485.8
Other income		
Dividend received/receivable	**0.5**	0.1
Net gain on disposal of property, plant and equipment	**21.6**	9.4
Net foreign exchange gains	**15.9**	11.6
Fair value gains on other financial assets designated at fair value through income statement	**-**	0.2
Government grants	**1.0**	1.7
Supplier early payment discounts	**4.7**	3.8
Service income	**2.6**	3.4
Curtailment gains and settlements	**20.5**	10.1
Bargain purchase on acquisition of business	**2.8**	-
Refund of acquisition break fee	**2.0**	-
Indirect tax credits and research and development claims	**8.8**	16.6
Gain on sale of option	**4.6**	-
Rebates, incentives and claims	**18.6**	17.3
Other	**23.3**	38.9
Total other income	**126.9**	113.1
Finance income		
Retirement benefit interest income	**3.2**	4.5
Interest received/receivable	**27.6**	16.2
Total finance income	**30.8**	20.7
Total revenue from continuing operations	**11,011.1**	9,619.6

(2) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Notes to the financial statements
30 June 2014

Note 6. Expenses from continuing operations

Profit before related income tax includes the following specific expenses. These amounts include those disclosed as significant items from continuing operations (refer note 7).

$ million	2014	2013 Restated [(1)]
Depreciation and amortisation		
Depreciation:		
- Property, plant and equipment	**378.0**	332.2
- Leased assets	**1.3**	1.6
Amortisation:		
- Other intangibles	**30.2**	23.9
Total depreciation and amortisation	**409.5**	357.7
Finance expenses		
Interest paid/payable:		
- Finance charges on leased assets	**0.9**	0.8
- Unwind of discount on provisions	**2.5**	1.1
- Retirement benefit interest expense	**10.9**	11.9
- External	**203.3**	169.3
	217.6	183.1
Borrowing costs	**23.6**	28.7
Total finance expenses	**241.2**	211.8
Net impairment of trade receivables	**0.6**	1.3
Net write-down/(back) of inventories	**(2.4)**	(1.5)
Employee benefits expense		
- Wages and salaries	**1,900.7**	1,635.0
- Workers' compensation and other on-costs	**168.9**	141.0
- Retirement benefit funds	**15.7**	14.9
- Superannuation costs - accumulation funds	**38.7**	34.2
- Other employment benefits expense	**7.7**	3.1
- Share-based payments expense	**33.0**	35.8
Total employee benefits expense	**2,164.7**	1,864.0
Rental expense relating to operating leases		
- Minimum lease payments	**106.9**	100.3
- Contingent rentals	**5.6**	4.5
Total rental expense relating to operating leases	**112.5**	104.8
Restructuring costs	**7.8**	12.9
Asset impairment reversal - property, plant and equipment and non-current assets	**(0.2)**	-
Asset impairments - property, plant and equipment and non-current assets	**0.3**	1.4
Net loss on liquidation of businesses	**1.3**	**-**
Fair value losses on other financial assets designated at fair value through income statement	**0.3**	-

[(1)] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Notes to the financial statements
30 June 2014

Note 7. Significant Items

$ million	2014 Before tax	2014 Tax (expense)/ benefit	2014 Net of tax	2013 Before tax	2013 Tax (expense)/ benefit	2013 Net of tax
Income						
Gain on demerger of the Australasia and Packaging Distribution business[1]	111.0	(126.6)	(15.6)	-	-	-
Gain arising on disposal of Fairfield property	-	-	-	57.3	(9.7)	47.6
	111.0	(126.6)	(15.6)	57.3	(9.7)	47.6
Expense						
Asset impairments, net of reversals[2]	(210.0)	62.6	(147.4)	(88.2)	26.4	(61.8)
Transaction and separation costs relating to demerger[2]	(51.0)	1.2	(49.8)	-	-	-
Legal costs[3]	(16.6)	3.7	(12.9)	-	-	-
Australasia restructuring[2]	-	-	-	(83.5)	11.2	(72.3)
Costs to achieve synergies relating to Alcan Packaging acquisition[2]	-	-	-	(2.4)	-	(2.4)
	(277.6)	67.5	(210.1)	(174.1)	37.6	(136.5)
Total significant items	(166.6)	(59.1)	(225.7)	(116.8)	27.9	(88.9)

(1) The gain on demerger included recycling of foreign currency translation reserve and foreign exchange translation of the demerged business. Included in the income tax expense figure is an expense of $114.0 million being the derecognition of deferred tax assets relating to carried forward tax losses. Refer to note 3.

(2) Tax benefits are assessed for certain significant item expenses and not recognised where the resultant tax loss is not considered probable of recovery.

(3) Legal costs relate to expenditure associated with the defence and settlement of claims with respect to Australian Competition and Consumer Commission and New Zealand Commerce Commission matters.

The following table represents a segmental analysis of significant items before income tax (expense)/benefit, refer note 2:

$ million	Business restructure and rationalisation	Impairment of assets, net of reversals	Disposal of business and property	Transaction and separation costs	Alcan Packaging synergy costs	Legal costs	Total
2014							
Australasia and Packaging Distribution	-	(210.0)	111.0	(51.0)	-	(16.6)	(166.6)
Total	-	(210.0)	111.0	(51.0)	-	(16.6)	(166.6)
2013							
Australasia and Packaging Distribution	(83.5)	(88.2)	57.3	-	-	-	(114.4)
Other/Investments	-	-	-	-	(2.4)	-	(2.4)
Total	(83.5)	(88.2)	57.3	-	(2.4)	-	(116.8)

Note 8. Income Tax Expense

(a) Recognised in the income statement

$ million	2014	2013 Restated [1]
Current tax (expense)/benefit		
Current period	**(130.6)**	(151.1)
Adjustments to current tax expense relating to prior periods	**(9.4)**	44.0
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**13.1**	16.7
Tax losses and credits derecognised	**(114.0)**	-
Total current tax expense	**(240.9)**	(90.4)
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	**(44.3)**	(73.6)
Change in applicable tax rates	**3.9**	0.6
Total deferred tax expense	**(40.4)**	(73.0)
Total income tax expense	**(281.3)**	(163.4)
Deferred income tax (expense)/benefit included in income tax expenses comprises:		
Decrease in deferred tax assets	**(120.5)**	(35.8)
(Increase)/Decrease in deferred tax liabilities	**80.1**	(37.2)
Deferred income tax expense included in income tax (note 18)	**(40.4)**	(73.0)

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Note 8. Income Tax Expense (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

$ million	2014	2013 Restated [1]
Profit from continuing operations	**966.9**	790.0
Loss from discontinued operations	**(89.3)**	(15.2)
Profit before related income tax expense	**877.6**	774.8
Tax at the Australian tax rate of 30% (2013: 30%)	**(263.3)**	(232.4)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Net operating items non-deductible/non-assessable for tax	**17.5**	17.1
Goodwill tax adjustments	**0.9**	-
Net significant items non-deductible/non-assessable for tax	**4.9**	(12.2)
Capital structures	**27.1**	29.6
Tax losses, tax credits and temporary differences not recognised for book in prior years now recouped	**13.1**	16.7
Tax losses and credits derecognised	**(114.0)**	-
Effect of local tax rate change	**3.9**	0.6
	(309.9)	(180.6)
Over provision in prior period	**25.2**	13.3
Foreign tax rate differential	**3.4**	3.9
Total income tax expense	**(281.3)**	(163.4)
Less income tax (expense) / benefit attributable to discontinued operations	**(82.9)**	9.6
Total income tax expense attributable to continuing operations	**(198.4)**	(173.0)

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

(c) Amounts recognised directly in other comprehensive income

$ million	2014	2013 Restated [1]
Deferred tax benefit/(expense) recognised directly in other comprehensive income		
Tax on cash flow hedges	**(0.8)**	(0.3)
Tax on exchange differences on translating foreign operations	**7.5**	67.3
Tax on actuarial losses on defined benefit plans	**6.2**	12.9
Total income tax benefit recognised directly in other comprehensive income (Note 18)	**12.9**	79.9

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Note 9. Auditors' Remuneration

$ thousand	2014	2013
Auditors of the Company - PwC Australia		
Audit and other assurance services		
Audit and review of financial reports	**3,090**	3,255
Other assurance services	**1,057**	46
Other services		
Taxation services, transaction related taxation advice and due diligence	**2,651**	2,343
Other advisory services	**84**	50
	6,882	5,694
Network firms of PwC Australia		
Audit and other assurance services		
Audit and review of financial reports	**838**	837
Other regulatory audit services	**4,205**	3,669
Other assurance services	**-**	579
Other services		
Taxation services, transaction related taxation advice and due diligence	**2,201**	2,011
Other advisory services	**-**	400
	7,244	7,496
Non-PwC Audit Firms		
Audit and other assurance services		
Other regulatory services	**533**	399
Other services		
Taxation services and transaction related taxation advice	**243**	217
	776	616
Total auditors' remuneration	**14,902**	13,806

Note 10. Earnings per Share

cents	2014	2013 [1]
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**61.1**	48.9
From discontinued operations	**(14.3)**	(0.5)
Attributable to the ordinary equity holders of Amcor Limited	**46.8**	48.4
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**60.0**	48.1
From discontinued operations	**(14.0)**	(0.5)
Attributable to the ordinary equity holders of Amcor Limited	**46.0**	47.6

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

Note 10. Earnings per Share (continued)

(a) Reconciliation of earnings used in calculating earnings per share

$ million	2014	2013 [1]
Basic earnings per share		
Profit from continuing operations	**768.5**	617.0
Profit from continuing operations attributable to non-controlling interests	**(31.5)**	(27.8)
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**737.0**	589.2
Profit/(loss) from discontinued operations	**(172.2)**	(5.5)
Profit attributable to the ordinary equity holders of Amcor Limited used in calculating basic earnings per share	**564.8**	583.7
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**737.0**	589.2
Profit/(loss) from discontinued operations	**(172.2)**	(5.5)
Profit attributable to the ordinary equity holders of Amcor Limited used in calculating diluted earnings per share	**564.8**	583.7

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations and discontinued operation presentation. Refer to note 1(b), 1(z) and note 3.

(b) Weighted average number of shares used as denominator

Number million	2014	2013
Weighted average number of ordinary shares for basic earnings per share	**1,205.9**	1,206.1
Effect of employee options and performance rights	**22.1**	18.9
Weighted average number of ordinary shares and potential ordinary shares for diluted earnings per share	**1,228.0**	1,225.0

(c) Information concerning classification of securities

In the calculation of basic earnings per share, only ordinary shares, excluding treasury shares have been included in the calculation. The following securities have been classified as potential ordinary shares and their effect included in diluted earnings per share as at 30 June 2014:

- ordinary shares (excluding treasury shares); and
- employee options and rights.

(d) Details of securities

(i) Options and rights

Options and rights granted to employees under the Amcor Limited employee share/option and rights plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share. Details relating to the options and rights plans are set out in note 29.

(ii) Treasury shares

Treasury shares are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's Employee Share Plans. These shares have been excluded in the determination of basic and diluted earnings per share. Details of the treasury shares are set out in note 25.

Note 11. Cash and Cash Equivalents

$ million	2014	2013
Cash on hand and at bank	**414.1**	292.2
Short-term deposits	**7.8**	7.2
Deposits at call	**119.2**	95.5
Total cash and cash equivalents	**541.1**	394.9

The consolidated entity operates in 43 countries around the world, some of which may impose restrictions over cash. The estimated restricted cash balance at 30 June 2014 is between $70 million and $80 million (2013 between $40.0 million and $50.0 million).

Short-term deposits and deposits at call for the consolidated entity across various jurisdictions bear floating interest rates between 0.0% and 10.5% (2013: 0.0% and 10.3%). Details regarding interest rate risk, foreign currency risk, credit risk and the fair value of cash and cash equivalents are disclosed in note 28.

Note 12. Trade and Other Receivables

$ million	2014	2013
Trade receivables	**1,316.6**	1,630.7
Less provision for impairment losses	**(18.0)**	(23.0)
	1,298.6	1,607.7
Loans and other receivables(1)	**175.6**	211.8
Receivable on divested property(2)	**8.4**	10.0
Total current trade and other receivables	**1,482.6**	1,829.5

(1) These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.
(2) Prior year proceeds from receivable related to divested property were received on 24 July 2013.

Credit risks related to receivables

Customer credit risk is managed by each business group in accordance with the procedures and controls set out in the consolidated entity's credit risk management policy. Credit limits are established for all customers based on external or internal rating criteria and letters of credit or other forms of credit insurance cover are obtained where appropriate.

For the sale of products and associated trade receivables, the consolidated entity minimises where possible its concentration of risk by undertaking transactions with a large number of customers and counterparties in various countries with policies in place to ensure that sales of products and services are made to customers with appropriate credit history.

In respect of these financial assets and the credit risk embodied within them, the consolidated entity holds no significant collateral as security. The credit quality of trade receivables that are neither past due nor impaired is consistently monitored in order to identify any potential adverse changes in credit quality. The consolidated entity has no material exposure to any individual customer.

The carrying amount of financial assets recognised in the statement of financial position (excluding equity securities) best represents the consolidated entity's maximum exposure to credit risk at the reporting date.

Impairment of financial assets

As at 30 June 2014, current trade receivables of the consolidated entity with a nominal value of $23.2 million (2013: $24.9 million) were impaired. The amount of the provision was $18.0 million (2013: $23.0 million). The individually impaired receivables relate to transactions which have been disputed by customers, or receivables owing from customers experiencing financial difficulties. It has been assessed that a portion of the receivables is expected to be recovered.

The continuing operations of the consolidated entity have recognised a loss of $0.6 million (2013: $1.3 million) in respect of impaired trade receivables during the financial year ended 30 June 2014. The loss has been included in 'general and administration' expenses in the income statement.

As at 30 June 2014, current trade receivables of $123.4 million (2013: $231.9 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of trade receivables, according to their due date, is as follows:

	Impaired Receivables		Not Impaired	
$ million	2014	2013	2014	2013
Not past due	**0.6**	1.0	**1,170.0**	1,373.9
Past due 0-30 days	**1.7**	0.6	**89.2**	135.4
Past due 31-120 days	**2.7**	3.2	**24.4**	93.6
More than 121 days	**18.2**	20.1	**9.8**	2.9
	23.2	24.9	**1,293.4**	1,605.8

Note 12. Trade and Other Receivables (continued)

Impairment of financial assets (continued)

Movements in the provision for impairments of receivables are as follows:

$ million	2014	2013
Opening balance	**23.0**	24.2
Bad debts expense - charge to expense	**4.1**	4.7
Reversal of impairment	**(1.6)**	(1.6)
Receivables written off during the period as uncollectible	**(4.4)**	(5.9)
Additions through business acquisitions	**-**	0.2
Unused amount reversed	**(0.3)**	-
Demerger of Australasia and Packaging Distribution business	**(2.5)**	-
Effects of movement in exchange rate	**(0.3)**	1.4
Closing balance	**18.0**	23.0

In assessing an appropriate provision for impairments of receivables consideration is given to historical experience of bad debts, based on the ageing of receivables, knowledge of debtor insolvency or other credit risk and individual account assessment.

Details regarding interest rate risk, foreign currency risk and fair values of receivables are disclosed in note 28.

Note 13. Inventories

$ million	2014	2013
Raw materials and stores at cost	**580.7**	741.2
Work in progress at cost	**201.3**	199.8
Finished goods at cost	**555.6**	773.5
	1,337.6	1,714.5
Raw materials and stores at net realisable value	**36.1**	41.2
Work in progress at net realisable value	**10.0**	15.0
Finished goods at net realisable value	**27.3**	43.9
	73.4	100.1
Total inventories	**1,411.0**	1,814.6

During the period the continuing operations of the consolidated entity recognised a net reversal of $2.4 million with regard to the net realisable value of inventories (2013: net reversal of $1.5 million). Both the expense and reversal have been included in ‘cost of sales’ expense in the income statement. As a result of the demerger of the Australasia and Packaging Distribution business, a write-down of $8.9 million with regard to the net realisable value of inventories was recognised in discontinued operation during the period. As at 30 June 2014, no inventory of the consolidated entity is pledged as security over any borrowing (2013: nil).

Note 14. Other Financial Assets

$ million	2014	2013
Current		
Derivative financial instruments - fair value through profit and loss:		
Forward exchange contracts	**8.6**	23.3
Derivative financial instruments - cash flow hedges:		
Forward exchange contracts	**0.3**	13.5
Total current other financial assets	**8.9**	36.8

Notes to the financial statements
30 June 2014

Note 14. Other Financial Assets (continued)

$ million	2014	2013
Non-current		
Investments in companies listed on stock exchanges at fair value	**-**	4.6
Investments in companies not listed on stock exchanges at cost	**1.0**	1.0
	1.0	5.6
Derivative financial instruments - fair value through profit and loss:		
Hedge contracts for cash settled Employee Share Plan Options ('American' style contracts)	**0.2**	0.4
Interest rate swaps	**54.9**	-
Other non-current financial assets	**0.4**	0.3
	55.5	0.7
Receivable on divested property(1)	**97.3**	91.5
Loans and other receivables	**9.6**	18.3
Total non-current other financial assets	**163.4**	116.1

(1) This amount relates to deferred consideration in respect of the disposal of property.

Details regarding the interest rate risk, foreign currency risk, commodity price risk, employee share plan risk and fair values of the other financial assets are disclosed in note 28.

In relation to the cash settled Employee Share Plan Options, the Employee Bonus Payment Plan and the Senior Executive Retention Payment Plan, the consolidated entity is exposed to movements in the value of the underlying ordinary shares of Amcor Limited. The consolidated entity has economically hedged its exposure by entering into cash settled equity share option or equity share swap contracts that mirror the terms and conditions of the employee benefit.

Note 15. Other Assets

$ million	2014	2013
Current		
Contract incentive payments(1)	**6.2**	21.8
Prepayments	**78.6**	97.2
Other current assets	**3.3**	2.7
Total current other assets	**88.1**	121.7
Non-current		
Contract incentive payments(1)	**17.0**	76.6
Prepayments	**10.4**	14.2
Other non-current assets	**93.5**	122.0
Total non-current other assets	**120.9**	212.8

(1) Contract incentives are provided to customers to secure long-term sale agreements and are amortised over the period of the contractual arrangement.

Note 16. Investments Accounted for Using the Equity Method

The consolidated entity holds interests in the following material associates:

Name	Principal activity	Incorporated	Reporting date	Ordinary share ownership interest 2014 %	2013 %
Associates					
AMVIG Holdings Limited	Tobacco packaging	Cayman Islands	31 December	**48.0**	47.9

The consolidated entity accounts for investments in associates and joint ventures using the equity accounting method.

$ million	2014	2013
Interests in AMVIG Holdings Limited (AMVIG)	**500.0**	486.6
Aggregate carrying amount of individually immaterial joint ventures	**16.8**	12.9
Consolidated entity's carrying value of equity accounted investments	**516.8**	499.5

(a) Summarised financial information related to AMVIG

The financial information below represents 100% of the investees[1]:

$ million	2014	2013
Summarised statement of comprehensive income		
Revenues	**528.4**	451.4
Profit after tax from continuing operations	**61.7**	57.0
Other comprehensive income	**15.3**	1.3
Total comprehensive income	**77.0**	58.3
Dividends received from AMVIG	**10.5**	70.1
Financial Position		
Current assets	**459.6**	368.2
Non-current assets	**528.1**	534.7
Total assets	**987.7**	902.9
Current liabilities	**203.0**	143.8
Non-current liabilities	**213.5**	226.4
Total liabilities	**416.5**	370.2
Net assets reported by AMVIG	**571.2**	532.7
Commitments		
Share of capital commitments contracted but not provided for or payable:		
Within one year	**2.8**	1.3
	2.8	1.3
Share of other expenditure commitments contracted but not provided for or payable (including operating lease commitments):		
Within one year	**1.6**	1.4
Between one and five years	**4.4**	2.8
More than five years	**2.4**	0.3
	8.4	4.5

[1] The summarised financial information is based on the latest publicly available set of financial statements dated 31 December 2013 (2013: 31 December 2012).

Note 16. Investments Accounted for Using the Equity Method (continued)

(b) Reconciliation to carrying value of AMVIG:

	2014	2013
Group's share in %	**48.0**	47.9
Group's share of net assets, $ million [(1)]	**274.2**	255.2
Notional goodwill, $ million	**236.0**	218.3
Effects of movement in foreign exchange rates and other adjustments	**(10.2)**	13.1
Carrying amount at the end of the financial year, $ million	**500.0**	486.6

(1) The Group's share of net assets is based on the latest publicly available set of financial statements dated 31 December 2013 (2013: 31 December 2012).

The Amcor carrying value of AMVIG when expressed in Hong Kong dollars per share is greater than the Hong Kong dollar per share quoted for AMVIG on the Hang Seng at 30 June 2014.

Management's view is that AMVIG's quoted share price does not accurately reflect the fundamental value of the business. Accordingly, Amcor management has assessed the recoverable amount measured at the higher of fair value less costs to sell and value in use. Value in use is calculated from cash flow projections for five years using management's best estimates based on historical publicly available information from AMVIG. The value in use calculation included a pre-tax discount rate of 13.7% and the perpetual growth rate of 5%. Based on this value in use assessment management believes that the recoverable amount of the investment in AMVIG exceeds the consolidated entity's carrying value of the investment at 30 June 2014.

(c) Individually immaterial joint ventures

$ million	**2014**	2013
Aggregate amounts of group's share of:		
Profit/(loss) from operations	-	(0.1)
Other comprehensive income	-	(0.2)
Total comprehensive income	**-**	**(0.3)**

(d) Acquisitions and disposals

30 June 2014
AMVIG Holdings Limited
During December 2013 and January 2014 AMVIG Holdings Limited repurchased1.6 million shares on market and cancelled the shares. This increased the Amcor ownership percentage to 48.0%.

30 June 2013
Discma AG
On 14 September 2012 the consolidated entity acquired a 50.0% interest in the joint venture entity Discma AG for $11.8 million. Discma AG is principally engaged in the development and licensing of packaging product innovations.

(e) Reporting date

The balance date for AMVIG Holdings Limited (AMVIG) is 31 December which is different to that of the consolidated entity due to commercial reasons and the listing requirements of this entity on the Hong Kong Stock Exchange. In determining the consolidated entity's share of profits of AMVIG for the financial year ended 30 June 2014, the consolidated entity has used the latest publicly available financial information, being the audited results for the year ended 31 December 2013 plus management's best estimate for the six months ended 30 June 2014.

Note 17. Property, Plant and Equipment

$ million	Land	Land improvements	Buildings	Plant and equipment	Assets under construction	Finance leases	Total
2014							
Cost							
Opening balance	**260.1**	**20.1**	**1,445.1**	**7,785.7**	**-**	**18.5**	**9,529.5**
Additions for the period	**1.1**	**-**	**37.1**	**354.5**	**-**	**0.2**	**392.9**
Disposals during the period	**(8.8)**	**-**	**(111.9)**	**(523.8)**	**-**	**(0.1)**	**(644.6)**
Additions through business acquisitions	**1.2**	**-**	**3.3**	**32.0**	**-**	**-**	**36.5**
Disposal of businesses and controlled entities	**(73.8)**	**(11.3)**	**(459.5)**	**(2,748.4)**	**-**	**-**	**(3,293.0)**
Other transfers	**7.3**	**-**	**42.3**	**(49.6)**	**-**	**-**	**-**
Effect of movements in foreign exchange rates	**2.4**	**0.2**	**14.1**	**55.9**	**-**	**0.7**	**73.3**
Closing balance	**189.5**	**9.0**	**970.5**	**4,906.3**	**-**	**19.3**	**6,094.6**
Accumulated depreciation and impairment							
Opening balance	**(0.9)**	**(6.8)**	**(402.7)**	**(4,227.4)**	**-**	**(8.7)**	**(4,646.5)**
Depreciation charge	**(0.2)**	**(0.6)**	**(37.0)**	**(396.3)**	**-**	**(1.3)**	**(435.4)**
Disposals during the period	**0.1**	**-**	**72.2**	**499.1**	**-**	**-**	**571.4**
Disposal of businesses and controlled entities	**0.4**	**3.2**	**113.2**	**1,619.9**	**-**	**-**	**1,736.7**
Impairment loss	**(0.2)**	**-**	**(34.2)**	**(143.5)**	**-**	**-**	**(177.9)**
Reversal of impairment loss	**-**	**-**	**-**	**0.2**	**-**	**-**	**0.2**
Effect of movements in foreign exchange rates	**-**	**(0.1)**	**(3.1)**	**(39.4)**	**-**	**(0.3)**	**(42.9)**
Closing balance	**(0.8)**	**(4.3)**	**(291.6)**	**(2,687.4)**	**-**	**(10.3)**	**(2,994.4)**
Carrying value 30 June 2014	**188.7**	**4.7**	**678.9**	**2,218.9**	**-**	**9.0**	**3,100.2**
2013							
Cost							
Opening balance	268.9	22.2	1,197.7	6,961.0	594.7	15.6	9,060.1
Additions for the period	1.0	0.1	16.2	360.0	90.3	1.1	468.7
Disposals during the period	(27.0)	(3.6)	(75.0)	(497.0)	-	(0.3)	(602.9)
Additions through business acquisitions	0.8	0.1	18.2	65.1	-	-	84.2
Disposal of businesses and controlled entities	(0.9)	-	(1.4)	(13.4)	-	-	(15.7)
Other transfers	-	0.5	198.3	486.2	(685.0)	-	-
Effect of movements in foreign exchange rates	17.3	0.8	91.1	423.8	-	2.1	535.1
Closing balance	260.1	20.1	1,445.1	7,785.7	-	18.5	9,529.5
Accumulated depreciation and impairment							
Opening balance	(0.7)	(8.6)	(368.5)	(4,008.4)	-	(6.3)	(4,392.5)
Depreciation charge	(0.2)	(0.8)	(52.4)	(386.9)	-	(1.6)	(441.9)
Disposals during the period	0.2	2.9	48.2	475.1	-	0.1	526.5
Disposal of businesses and controlled entities	-	-	-	5.7	-	-	5.7
Impairment loss	-	-	(0.4)	(76.1)	-	-	(76.5)
Effect of movements in foreign exchange rates	(0.2)	(0.3)	(29.6)	(236.8)	-	(0.9)	(267.8)
Closing balance	(0.9)	(6.8)	(402.7)	(4,227.4)	-	(8.7)	(4,646.5)
Carrying value 30 June 2013	259.2	13.3	1,042.4	3,558.3	-	9.8	4,883.0

(a) Non-current assets pledged as security

At 30 June 2014, property, plant and equipment with a carrying value of $20.9 million (2013: $14.5 million) was provided as security for certain interest-bearing borrowings. Refer to note 21 for more information on non-current assets pledged as security by the consolidated entity.

In addition, property with a carrying value of $11.0 million has been pledged as security with regards to the consolidated entity's Brazil excise and income tax claims (2013: $14.7 million).

Note 17. Property, Plant and Equipment (continued)

(b) Non-current asset impairments

30 June 2014
During the year ended 30 June 2014, the consolidated entity continuing operations recorded impairments of property, plant and equipment totalling $0.3 million within 'general and administration' expense in the income statement whilst $186.2 million was recorded in the discontinued operations. The impairments were recognised in the following segments with the recoverable amount of the assets based on management's historical experience of the sale of similar assets with reference to current market conditions, which represents fair value, less costs to sell.

- Amcor Australasia and Packaging Distribution (AAPD) recognised impairments totalling $186.2 million during the period as a result of the demerger of the business. The impairment was recognised in relation to the corrugated converting operations of the Fibre CGU due to the change in key assumptions reflecting AAPD as a standalone entity, in the form of a demerged Orora, with the main change being an increase in the discount rate.
- Amcor Flexibles recognised impairments totalling $0.3 million during the period relating to specific items of property, plant and equipment that were written off due to mechanical failure or identified as surplus to current requirements.

30 June 2013
During the year ended 30 June 2013, the consolidated entity recorded impairments of property, plant and equipment totalling $76.5 million within 'general and administration' expense in the income statement ($1.4 million continuing operations and $75.1 million discontinued operation). The impairments were recognised in the following segments with the recoverable amount of the assets based on management's historical experience of the sale of similar assets with reference to current market conditions, which represents fair value, less costs to sell.

- Amcor Australasia and Packaging Distribution recognised impairments totalling $75.1 million during the period as a result of restructuring activities undertaken within the business. An impairment of $2.2 million was recognised on the closure of the Thomastown Metal Closures business in Victoria, Australia and an impairment of $72.9 million has been recognised on the announcement of the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia which is anticipated to occur in September 2013.
- Amcor Flexibles recognised impairments totalling $1.4 million during the period relating to specific items of property, plant and equipment that were identified idle and surplus to current requirements.

(c) Non-current asset impairment reversals

30 June 2014
During the year ended 30 June 2014, the consolidated entity reversed $0.2 million of previously recognised impairments.

30 June 2013
During the year ended 30 June 2013, the consolidated entity did not reverse any previously recognised impairments.

Note 18. Deferred Tax Assets and Liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2014			2013		
$ million	**Assets**	**Liabilities**	**Net**	Assets	Liabilities	Net
Property, plant and equipment	**17.8**	**(281.3)**	**(263.5)**	20.0	(371.4)	(351.4)
Impairment of trade receivables	**4.1**	**(0.8)**	**3.3**	4.8	(1.0)	3.8
Intangibles	**0.2**	**(171.9)**	**(171.7)**	-	(163.5)	(163.5)
Valuation of inventories	**9.8**	**(7.4)**	**2.4**	22.5	(9.3)	13.2
Employee benefits	**75.1**	**(8.6)**	**66.5**	94.4	(6.4)	88.0
Provisions	**52.1**	**(1.9)**	**50.2**	66.5	(0.8)	65.7
Financial instruments at fair value and net investment hedges	**116.7**	**(77.5)**	**39.2**	142.2	(128.2)	14.0
Tax losses carried forward	**99.6**	**-**	**99.6**	224.0	-	224.0
Accruals and other items	**15.7**	**(8.4)**	**7.3**	54.9	(53.2)	1.7
Tax assets/(liabilities)	**391.1**	**(557.8)**	**(166.7)**	629.3	(733.8)	(104.5)
Set off of tax	**(290.1)**	**290.1**	**-**	(452.1)	452.1	-
Net deferred tax asset/(liability)	**101.0**	**(267.7)**	**(166.7)**	177.2	(281.7)	(104.5)

Note 18. Deferred Tax Assets and Liabilities (continued)

(b) Movement in temporary differences during the year

$ million	Net asset/ (liability) at 1 July	Recognised in income statement	Recognised in other comprehensive income	Acquired balances	Included in disposal group	Other[(1)]	Exchange difference	Net asset/ (liability) at 30 June
2014								
Property, plant and equipment	**(351.4)**	**91.5**	**-**	**(1.8)**	**0.2**	-	**(2.0)**	**(263.5)**
Impairment of trade receivables	**3.8**	**0.3**	**-**	**0.2**	**(0.9)**	-	**(0.1)**	**3.3**
Intangible assets	**(163.5)**	**(22.6)**	**-**	**(0.5)**	**13.1**	-	**1.8**	**(171.7)**
Valuation of inventories	**13.2**	**1.6**	**-**	**0.1**	**(12.1)**	-	**(0.4)**	**2.4**
Employee benefits	**88.0**	**(4.2)**	**6.2**	**1.2**	**(25.3)**	-	**0.6**	**66.5**
Provisions	**65.7**	**2.5**	**-**	**0.4**	**(18.0)**	-	**(0.4)**	**50.2**
Financial instruments at fair value and net investment hedges	**14.0**	**25.6**	**6.7**	**-**	**(2.1)**	**(5.1)**	**0.1**	**39.2**
Tax losses carried forward	**224.0**	**(121.6)**	**-**	**-**	**(5.4)**	-	**2.6**	**99.6**
Accruals and other items	**1.7**	**(13.5)**	**-**	**0.3**	**18.9**	-	**(0.1)**	**7.3**
	(104.5)	**(40.4)**	**12.9**	**(0.1)**	**(31.6)**	**(5.1)**	**2.1**	**(166.7)**
2013								
Property, plant and equipment	(321.5)	(6.1)	-	5.4	-	-	(29.2)	(351.4)
Impairment of trade receivables	2.6	1.0	-	-	-	-	0.2	3.8
Intangible assets	(137.6)	(5.7)	-	(4.4)	-	-	(15.8)	(163.5)
Valuation of inventories	15.0	(1.6)	-	-	-	-	(0.2)	13.2
Employee benefits	93.2	(24.4)	12.9	0.9	-	-	5.4	88.0
Provisions	85.2	(25.8)	-	4.2	-	-	2.1	65.7
Financial instruments at fair value	(51.6)	(22.9)	110.9	-	-	(22.7)	0.3	14.0
Tax losses carried forward	254.3	5.2	(43.9)	-	-	-	8.4	224.0
Accruals and other items	(11.1)	7.3	-	2.0	-	-	3.5	1.7
	(71.5)	(73.0)	79.9	8.1	-	(22.7)	(25.3)	(104.5)

[(1)] Amounts in 'Other' represents the deferred tax recognised directly in equity in respect of the forward contracts that the consolidated entity has entered into for the future on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans (refer notes 26 and 29).

(c) Unrecognised deferred tax assets and liabilities

(i) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

$ million	2014	2013
Unused tax losses for which no deferred tax asset has been recognised	**1,059.4**	796.1
Potential tax benefits at applicable rates of tax	**309.9**	229.5
Unrecognised tax credits	**32.5**	12.4
Deductible temporary differences not recognised	**33.5**	36.6
Total unrecognised deferred tax assets	**375.9**	278.5

Unused tax losses have been incurred by entities in various jurisdictions. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefits.

(ii) Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the consolidated entity's investments in subsidiaries and associates. The deferred tax liability will only arise in the event of disposal of the subsidiary or associate, and no such disposal is expected in the foreseeable future.

Unremitted earnings of the consolidated entity's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, the consolidated entity may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As the consolidated entity controls when the deferred tax liability will be incurred and is satisfied that it will not be incurred in the foreseeable future, the deferred tax liability has not been recognised.

Notes to the financial statements

30 June 2014

Note 19. Intangible Assets

$ million	Product development	Computer software	Goodwill	Customer relationships	Other intangible assets	Total
2014						
Cost						
Opening balance	22.8	296.8	1,937.0	292.0	18.6	2,567.2
Additions through internal activities	5.3	0.3	-	-	-	5.6
Additions for the period	-	15.8	-	-	0.3	16.1
Additions through business acquisitions	-	-	57.2	-	1.4	58.6
Disposals during the period	-	(3.9)	-	-	-	(3.9)
Disposal of business and controlled entities	-	(151.4)	(218.9)	(1.0)	(6.0)	(377.3)
Effect of movements in foreign exchange rates	(0.2)	4.8	25.2	2.6	0.6	33.0
Closing balance	27.9	162.4	1,800.5	293.6	14.9	2,299.3
Accumulated amortisation and impairment						
Opening balance	(4.5)	(187.9)	(13.4)	(46.2)	(14.5)	(266.5)
Amortisation charge	(1.2)	(18.1)	-	(15.5)	(0.7)	(35.5)
Disposals during the period	-	2.4	-	-	-	2.4
Disposal of business and controlled entities	-	123.0	7.9	0.1	6.0	137.0
Impairment loss	-	(14.9)	-	-	-	(14.9)
Effect of movements in foreign exchange rates	(0.1)	(1.8)	0.2	(0.2)	(0.5)	(2.4)
Closing balance	(5.8)	(97.3)	(5.3)	(61.8)	(9.7)	(179.9)
Carrying value 30 June 2014	22.1	65.1	1,795.2	231.8	5.2	2,119.4
2013						
Cost						
Opening balance	13.2	268.8	1,657.8	248.6	32.6	2,221.0
Additions through internal activities	18.0	14.4	-	-	-	32.4
Additions for the period	-	6.2	-	-	0.4	6.6
Additions through business acquisitions	-	-	113.5	0.3	-	113.8
Disposals during the period	(8.8)	(9.0)	-	-	(0.2)	(18.0)
Disposal of businesses and controlled entities	-	-	(1.0)	-	-	(1.0)
Other transfers	-	-	-	14.4	(14.4)	-
Effect of movements in foreign exchange rates	0.4	16.4	166.7	28.7	0.2	212.4
Closing balance	22.8	296.8	1,937.0	292.0	18.6	2,567.2
Accumulated amortisation and impairment						
Opening balance	(5.2)	(162.5)	(13.0)	(27.2)	(13.6)	(221.5)
Amortisation charge	(0.1)	(19.7)	-	(13.6)	(0.8)	(34.2)
Disposals during the period	1.2	8.2	-	-	0.1	9.5
Impairment loss	-	(5.4)	-	-	-	(5.4)
Effect of movements in foreign exchange rates	(0.4)	(8.5)	(0.4)	(5.4)	(0.2)	(14.9)
Closing balance	(4.5)	(187.9)	(13.4)	(46.2)	(14.5)	(266.5)
Carrying value 30 June 2013	18.3	108.9	1,923.6	245.8	4.1	2,300.7

As at 30 June 2014 the consolidated entity does not hold any indefinite life intangible assets, other than goodwill.

(a) Intangible asset impairments and impairment reversals

30 June 2014

During the year ended 30 June 2014, as a result of the demerger of the Australasia and Packaging Distribution business, an impairment totalling $14.9 million was recognised in relation to computer software. No impairment reversals were recognised by the consolidated entity during the period.

30 June 2013

During the year ended 30 June 2013, Amcor Australasia and Packaging Distribution recognised an impairment totalling $5.4 million, within ‘general and administration’ expense in the income statement, as the result of the announcement of the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia, which is anticipated to occur in September 2013. No impairment reversals were recognised by the consolidated entity during the period.

Note 19. Intangible Assets (continued)

(b) Impairment tests for goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash generating units or groups of cash generating units (CGUs) according to the level at which management monitors goodwill.

The goodwill amounts allocated below are tested annually or semi-annually if there are indicators of impairment, by comparison with the recoverable amount of each CGU or group of CGU's assets. Recoverable amounts for CGUs are measured at the higher of fair value less costs to sell and value in use. Value in use is calculated from cash flow projections for five years using data from the consolidated entity's latest internal forecasts. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins.

The forecasts used in the value in use calculations are management estimates in determining income, expenses, capital expenditure and cash flows for each asset and CGU. Changes in selling prices and direct costs are based on past experience and management's expectation of future changes in the markets in which the consolidated entity operates. Cash flows beyond the five year period are extrapolated using estimated growth rates.

The following table presents a summary of the goodwill allocation and the key assumptions used in determining the recoverable amount of each CGU:

	Goodwill Allocation		Pre-Tax Discount Rate		Growth Rate	
	2014	2013	**2014**	2013	**2014**	2013
CGU	**$ million**	$ million	**%**	%	**%**	%
Continuing Operations						
Rigid Plastics						
Rigid Plastics	**712.7**	725.2	**11.8**	12.2	**1.1**	-
Flexibles						
Flexibles Europe & Americas	**515.3**	500.1	**7.6**	7.6	**-**	-
Tobacco Packaging	**321.0**	303.7	**7.6**	7.6	**-**	-
Flexibles Asia Pacific	**246.2**	192.4	**9.6**	9.9	**3.0**	3.0
Discontinued Operations						
Australasia and Packaging Distribution						
Australasia	**-**	85.6	**-**	9.1	**-**	-
Packaging Distribution	**-**	116.6	**-**	8.9	**-**	3.0
	1,795.2	1,923.6				

The discount rate used in performing the value in use calculations reflects the consolidated entity's weighted average cost of capital, as adjusted for specific risks relating to each geographical region in which the CGUs operate. The pre-tax discount rates are disclosed above. The growth rate represents the average rate applied to extrapolate CGU cash flows beyond the five year forecast period. These growth rates are determined with regard to the long-term performance of each CGU in their respective market and are not expected to exceed the long-term average growth rates in the applicable market.

Note 20. Trade and Other Payables

$ million	2014	2013
Current		
Trade creditors	**1,897.4**	2,187.7
Deferred grant income	**0.7**	0.5
Other creditors and accruals	**745.8**	899.3
Total current trade and other payables	**2,643.9**	3,087.5
Non-current		
Deferred grant income	**4.3**	4.1
Other unsecured creditors	**0.7**	17.9
Total non-current trade and other payables	**5.0**	22.0

Details regarding interest rate risk, foreign currency risk and fair values of payables are disclosed in note 28.

Note 21. Interest-Bearing Liabilities

$ million	Footnote	2014	2013
Current			
Secured borrowings:			
Other loans		**-**	0.6
Lease liabilities (refer note 32)		**1.6**	2.6
	(1)	**1.6**	3.2
Unsecured borrowings:			
Bank overdrafts		**4.8**	28.4
Bank loans	(2)	**102.1**	445.5
Commercial paper	(3)	**253.2**	707.2
US dollar notes	(4)	**191.1**	-
Other loans		**1.2**	0.5
		552.4	1,181.6
Total current interest-bearing liabilities		**554.0**	1,184.8
Non-current			
Secured borrowings:			
Other loans		**11.7**	1.2
Lease liabilities (refer note 32)		**7.6**	8.2
	(1)	**19.3**	9.4
Unsecured borrowings:			
Bank loans	(2)	**483.1**	393.7
US dollar notes	(4)	**1,033.3**	1,215.6
Euro notes	(4)	**217.3**	210.9
Eurobond	(5)	**1,254.1**	1,177.1
Swiss bond	(6)	**177.7**	169.9
Other loans		**1.7**	1.0
		3,167.2	3,168.2
Total non-current interest-bearing liabilities		**3,186.5**	3,177.6
Reconciliation of consolidated net debt			
Current		**554.0**	1,184.8
Non-current		**3,186.5**	3,177.6
Total interest-bearing liabilities		**3,740.5**	4,362.4
Cash and cash equivalents (refer note 11)		**(541.1)**	(394.9)
Net debt		**3,199.4**	3,967.5

Note 21. Interest-Bearing Liabilities (continued)

Footnotes:

(1) Property, plant and equipment is provided as security over certain borrowings including lease liabilities, which are effectively secured, as the rights to the leased assets revert to the lessor in the event of default. The total value of property, plant and equipment secured is $20.9 million (2013: $14.5 million) which represents the carrying value of the secured assets.

(2) Bank loans principally include the following borrowings:
- An amount of $458.0 million (2013: $311.0 million) drawn under a US$740.0 million (2013: US$740.0 million) committed global syndicated multi-currency facility maturing October 2016.
- An amount of $89.0 million (2013: $104.1 million) drawn under a $100.0 million (2013: $200.0 million) committed multi-currency facility maturing in July 2014 which is in various currencies and bears interest at the applicable BBSY, HIBOR or LIBOR rate plus an applicable credit margin.
- No amount has been drawn (2013: nil) under a committed US$900.0 million (2013: US$900.0 million) syndicated multi-currency facility supporting the uncommitted commercial paper programs (refer footnote 3) maturing in August 2015.
- A committed global syndicated multi-currency facility of US$370.0 million (2013: US$370.0 million) was cancelled in February 2014. In 2013, an amount of $389.4 million was drawn under this facility.

(3) Borrowings in commercial paper markets include the following:
- AUD Uncommitted Promissory Note facility of $600.0 million (2013: $600.0 million) of which $104.6 million is drawn at 30 June 2014 (2013: $383.6 million). This facility continues indefinitely until it is terminated by giving written notice to the dealer panel members; and
- US Uncommitted Commercial Paper Program of US$400.0 million (2013: US$400.0 million) of which $148.6 million (2013: $323.6 million) is drawn at 30 June 2014.

The commercial paper borrowings are classified as a current interest-bearing liability due to the short term rollover nature of the borrowings. The US$900 million syndicated multi-currency facility tranche due in August 2015 (refer footnote 2) acts as a liquidity back stop to the commercial paper should there be any difficulty in rolling over the commercial paper. Usage of these facilities reduces the available facilities under the syndicated multi-currency facility discussed in footnote 2.

(4) The following senior unsecured notes were issued in the United States Private Placement Market where interest on the notes is payable semi-annually at a fixed rate:
- US$280.0 million notes issued in 2002 with final bullet maturities between 2014 and 2017;
- US$850.0 million notes issued in 2009 with final bullet maturities between 2016 and 2021; and
- €150.0 million notes issued in 2010 with final bullet maturities between 2015 to 2020.

(5) This amount represents unsecured notes issued in the Eurobond market consisting of €550.0 million (2013: €550.0 million) maturing in April 2019 and €300.0 million (2013: €300.0 million) maturing in March 2023.

(6) This amount represents unsecured notes issued in the Swiss Bond market of CHF150.0 million (2013: CHF 150.0 million) maturing in April 2018.

(7) A five year (April 2019) US denominated bank syndicated facility for US$500 million has been entered into during the year ended 30 June 2014. This will support the US commercial paper program. This facility was fully undrawn at 30 June 2014.

Details of the interest rate risk, foreign currency risk, committed and uncommitted facilities and fair value of interest-bearing liabilities for the consolidated entity are set out in note 28.

Note 22. Other Financial Liabilities

$ million	2014	2013
Current		
Forward contracts to purchase own equity to meet share plan obligations[1]	**55.0**	73.8
Derivative financial instruments - fair value through profit and loss:		
Forward exchange contracts	**7.8**	10.0
Commodity contracts	**1.4**	5.0
Derivative financial instruments - cash flow hedges:		
Forward exchange contracts	**2.6**	0.7
Commodity contracts	**-**	0.6
Total current other financial liabilities	**66.8**	90.1
Non-current		
Derivative financial instruments - fair value through profit and loss:		
Interest rate swaps	**-**	12.4
Total non-current other financial liabilities	**-**	12.4

(1) The consolidated entity has entered into forward contracts for the on-market purchase of ordinary shares of the Company, for the purpose of managing the consolidated entity's obligations under the Employee Share Plans (refer note 29). The financial liability is measured at the present value of the expenditure required to settle the contract with a corresponding reduction, net of any related income tax effects, recognised in equity (refer notes 25 and 26). Refer note 28(a)(iv) for details for the forward purchase contracts.

Note 23. Provisions

$ million	Employee entitlements	Insurance and other claims	Onerous contracts	Asset restoration	Restructuring	Other	Total
Balance at 1 July 2013 (1)	**154.5**	**102.0**	**16.7**	**86.3**	**114.2**	**3.2**	**476.9**
Provisions made during the period	**44.5**	**32.0**	**2.3**	**1.1**	**50.1**	**0.8**	**130.8**
Payments made during the period	**(52.3)**	**(14.6)**	**(7.5)**	**(8.4)**	**(91.8)**	**(0.4)**	**(175.0)**
Released during the period	**(2.8)**	**(5.2)**	**-**	**(16.9)**	**(4.3)**	**(0.5)**	**(29.7)**
Additions through business acquisitions	**4.5**	**2.8**	**-**	**2.1**	**-**	**-**	**9.4**
Disposal of businesses and controlled entities	**(77.1)**	**(28.0)**	**(2.1)**	**(20.1)**	**(28.4)**	**-**	**(155.7)**
Unwinding of discount	**-**	**-**	**0.2**	**1.6**	**1.1**	**-**	**2.9**
Effect of movement in foreign exchange rate	**3.2**	**(0.1)**	**0.7**	**1.2**	**0.9**	**-**	**5.9**
Balance at 30 June 2014	**74.5**	**88.9**	**10.3**	**46.9**	**41.8**	**3.1**	**265.5**
Current	**43.1**	**36.3**	**7.6**	**0.2**	**41.0**	**2.8**	**131.0**
Non-current	**31.4**	**52.6**	**2.7**	**46.7**	**0.8**	**0.3**	**134.5**
Balance at 1 July 2012 (1)	162.2	96.5	13.7	83.1	113.8	3.1	472.4
Provisions made during the period	59.3	38.0	1.2	3.0	137.2	3.9	242.6
Payments made during the period	(67.9)	(31.7)	(6.3)	(6.3)	(141.0)	(3.3)	(256.5)
Released during the period	(2.2)	(4.2)	-	(6.7)	(0.6)	(0.7)	(14.4)
Disposal of businesses and controlled entities	(2.9)	-	-	-	-	(0.1)	(3.0)
Additions through business acquisitions	0.9	-	6.3	6.1	1.9	0.1	15.3
Unwinding of discount	-	-	0.4	1.4	-	-	1.8
Effect of movement in foreign exchange rate	5.1	3.4	1.4	5.7	2.9	0.2	18.7
Balance at 30 June 2013 (1)	154.5	102.0	16.7	86.3	114.2	3.2	476.9
Current	118.4	48.1	10.8	8.6	106.1	2.9	294.9
Non-current	36.1	53.9	5.9	77.7	8.1	0.3	182.0

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Description of provisions

Employee entitlements
Employee entitlements include the liability for annual leave and long service leave of employees.

Insurance and other claims
Insurance and other claims include provisions for workers' compensation, insurance and other claims and are based on claims received and claims expected to be received in relation to incidents occurring prior to 30 June 2014, based on historical claim rates. Estimated net future cash flows are based on the assumption that all claims will be settled and the weighted average cost of historical claims adjusted for inflation will continue to approximate future costs.

Onerous contracts
Onerous contract provisions relate to rental of land and buildings which are not able to be fully used or sublet by the consolidated entity, and certain customer and supply contracts procured through business acquisitions. The provision reflects only the onerous element of these commitments.

Asset restoration
Provisions for asset restoration or decommissioning relate to either make-good provisions included in lease agreements or decommissioning costs associated with environmental risks for which the consolidated entity has a legal or constructive obligation to make-good.

Where lease agreements include requirements to return the property to its original condition, the consolidated entity has made a provision based on an estimate of these costs.

At a number of sites, there are areas of contamination caused by past practice, many of which relate to operations prior to the consolidated entity's ownership. The provision includes costs associated with the clean-up of sites it owns, or contamination that it caused, to enable on-going use of the land as an industrial property.

In addition, the consolidated entity recognises the environmental risks associated with underground storage tanks. The provision includes costs associated with the decommissioning, removal or repair of any tanks which may fail integrity tests.

Notes to the financial statements

30 June 2014

Note 23. Provisions (continued)

Restructuring provisions

The following tables provide a segmental analysis of the restructuring provision at the end of the reporting period:

$ million	Continuing Operations Amcor Rigid Plastics	Amcor Flexibles	Other	Continuing Total	Discontinued Operations Australasia and Packaging Distribution	Total
Balance at 1 July 2013	**5.5**	**19.7**	**7.5**	**32.7**	**81.5**	**114.2**
Provisions made during the period	**0.3**	**6.1**	**36.3**	**42.7**	**7.4**	**50.1**
Payments made during the period	**(5.8)**	**(12.9)**	**(29.8)**	**(48.5)**	**(43.3)**	**(91.8)**
Released during the period	**-**	**(4.3)**	**-**	**(4.3)**	**-**	**(4.3)**
Disposal of businesses and controlled entities	**-**	**-**	**-**	**-**	**(28.4)**	**(28.4)**
Unwinding of discount	**-**	**-**	**1.1**	**1.1**	**-**	**1.1**
Other transfers	**-**	**0.3**	**16.9**	**17.2**	**(17.2)**	**-**
Effect of movement in foreign exchange rate	**-**	**0.7**	**0.2**	**0.9**	**-**	**0.9**
Balance at 30 June 2014	**-**	**9.6**	**32.2**	**41.8**	**-**	**41.8**
Current	**-**	**8.8**	**32.2**	**41.0**	**-**	**41.0**
Non-current	**-**	**0.8**	**-**	**0.8**	**-**	**0.8**
Balance at 1 July 2012	19.8	57.8	6.1	83.7	30.1	113.8
Provisions made during the period	-	6.1	5.3	11.4	125.8	137.2
Payments made during the period	(14.4)	(48.0)	(4.2)	(66.6)	(74.4)	(141.0)
Released during the period	-	(0.5)	(0.1)	(0.6)	-	(0.6)
Additions through business acquisitions	-	1.9	-	1.9	-	1.9
Effect of movement in foreign exchange rate	0.1	2.4	0.4	2.9	-	2.9
Balance at 30 June 2013	5.5	19.7	7.5	32.7	81.5	114.2
Current	5.5	17.5	7.5	30.5	75.6	106.1
Non-current	-	2.2	-	2.2	5.9	8.1

During the period Amcor Rigid Plastics continued to utilise restructuring provisions relating to activities associated with the streamlining and reorganisation of operations in North and Latin Americas, attributable to the closure of a number of plants in prior periods.

The Australasia and Packaging Distribution restructuring provision primarily relates to associated costs upon closure of the Thomastown Metal Closures business in Victoria, Australia, and the closure of the Petrie recycled cartonboard manufacturing plant in Queensland, Australia. In addition restructuring provisions have also been recognised in relation to cost reduction and reorganisation activities associated with the Australasia operations.

The Amcor Flexibles restructuring provision includes costs associated with the realisation of expected synergies from the Alcan acquisition. The restructuring costs incurred in the current year are in relation to the streamlining and rationalisation of the European operations which included the closure of certain manufacturing plants.

Note 24. Retirement Benefit Assets and Obligations

During the year, the consolidated entity maintained 58 defined benefit arrangements providing benefits for its co-workers and their dependants. These arrangements include both pension plans and post-retirement plans. Of the pension plans, 22 plans are funded. This note sets out the financial information in relation to the consolidated entity's defined benefit arrangements, including the funding policy for its funded defined benefit arrangements.

$ million	**2014**	2013 Restated [1]
Present value of unfunded defined benefit obligation	**175.4**	168.4
Present value of funded defined benefit obligation	**1,421.0**	1,483.1
Liabilities for defined benefit obligations	**1,596.4**	1,651.5
Fair value of plan assets	**(1,307.8)**	(1,346.5)
	288.6	305.0
Restrictions on asset recognised	**0.7**	0.4
Net liability arising from defined benefit obligations	**289.3**	305.4
Non-current asset	**(43.9)**	(35.6)
Non-current liability	**333.2**	341.0
	289.3	305.4

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

(a) Description of plans

Globally, the consolidated entity is progressively moving away from defined benefit plans because of the increased financial risk and uncertainty associated with these arrangements. The consolidated entity has closed some defined benefit plans to current co-workers in a number of countries including Australia, Canada, Germany, Ireland, New Zealand, Switzerland, the United Kingdom and the USA. To the extent possible within local country legislation, for those defined benefit arrangements that are now closed to current co-workers, their benefits are no longer increasing in real terms. The vast majority of co-workers receive defined contribution benefits.

In relation to the funded pension plans, some plans have funding surpluses and some have funding deficits. Surpluses and deficits arise from many diverse factors and can vary significantly over time. These variations are attributed to movements in asset values resulting from the performance of the underlying investment markets and movements in liability values resulting from actual experience differing from the assumptions used to discount and project the future cash flows required to pay the benefits when they become due. The consolidated entity continuously monitors the funded status of its defined benefit plans. If any deficits are identified in the funded pension plans, the consolidated entity agrees with the trustees and plan fiduciaries to undertake suitable funding programmes to provide additional contribution and payment periods in accordance with local country requirements. These funding programmes are undertaken based on advice from suitably qualified professionals in each country.

The characteristics and risks associated with the material plans of the consolidated entity are described below:

i) Switzerland

The Switzerland pension plan is a cash balance funded retirement plan. Contributions expressed as a fixed percentage of salary are paid into the plan by both the Company and the co-workers to build up cash balances in the name of each co-worker who is employed by the consolidated entity on a local contract in Switzerland. The plan is compliant with pension and tax legislation in Switzerland. Interest is credited each year to co-workers' cash balances. Interest credits can be positive or nil. Negative credits are not permitted. At retirement age, co-workers' cash balances are converted at a fixed rate into a retirement annuity. The retirement annuity is paid monthly from the plan directly to the retired former co-workers or to their beneficiaries, in the event the former co-workers are deceased.

The plan is not a traditional defined benefit plan since the sponsoring entity is not required to make additional contributions to finance any funding shortfall. In the event there is deficit in funding, the Pension Fund Board must either:

- suspend crediting interest to cash balances;
- request an increased contribution from current co-workers;
- reduce benefits; or
- implement a combination of all of the above options.

Funding surpluses belong to the members of the pension Plan and are not refundable to the sponsoring employer. If a co-worker leaves the consolidated entity, its accumulated cash balance must be transferred out of the pension plan to another employers' plan or to an independent arrangement.

A plan amendment occurred in May 2014 when the Pension Foundation Board formally agreed to change the factor for converting cash balances into annuities, on the advice of the actuarial adviser to the plan. The main purpose of this measure is to reduce cross subsidies between generations of co-workers and mitigate the long-term longevity risk in the pension plan. Transitional arrangements were introduced for those members close to retirement.

Note 24. Retirement Benefit Assets and Obligations (continued)

(a) Description of plans (continued)

ii) United Kingdom

The consolidated entity has two funded defined benefit plans in the UK. Both plans are closed to new entrants and no longer accrue service-related or salary-related benefits. Under local legislation it is a requirement that most of the benefits increase both before and after the pension commences, at least in line with statutory indexation.

The plans are compliant with pension and tax legislation in the UK. Under statutory funding regulations in the UK, the local sponsoring entities are required to make additional contributions to finance any funding shortfall. In the event that a funding deficit arises, the trustees of the plans are required to consult with the Company and agree a contribution schedule that is both reasonable and affordable. One of the plans has a small funding surplus on the local statutory basis while the other plan has a funding deficit on the balance sheet date. The schedule of contributions agreed between the Company and the trustees of the plans sets out the amount and term of the cash funding arrangements.

The trustees are responsible for the plans' assets, both in terms of the investment strategy and decisions on the asset allocation. At least once every three years, the Statement of Investment Principles (SIP) is reviewed by the trustees in consultation with the Company. The SIPs are kept under review and the trustees inform, and agree with, the Company an amended SIP before implementing any changes.

iii) Other Europe

The consolidated entity has defined benefit plans located across Europe, including Germany, France, Belgium, Italy and Ireland. The significant plans are in Germany and France and they are described below.

Germany

There are 16 defined benefit plans in Germany and 14 of these are closed to new entrants. A group of 228 employees who are approaching retirement age continue to accrue service-related or salary-related benefits. Legislation requires that pensions in payment must be reviewed every three years and adjusted based on the increase in the Retail Price Index.

Defined benefits in Germany are typically unfunded and are financed through statutory local accounting provisions. However, six of these unfunded defined benefit plans are partially indemnified by Rio Tinto Limited which assumes responsibility for its former employees' retirement entitlements as at 1 February 2010 when the consolidated entity acquired Alcan Packaging from Rio Tinto Limited. Rio Tinto Limited pays monthly pension instalments to a significant proportion of the plans' retirees via a Contractual Trust Agreement between the consolidated entity and Rio Tinto Limited.

France

The consolidated entity has 6 defined benefit plans in France, of which 2 are closed to new entrants. Two of these are partially indemnified by Rio Tinto Limited which assumes responsibility for its former employees' retirement entitlements as at 1 February 2010 when the consolidated entity acquired Alcan Packaging from Rio Tinto Limited. Eleven of the plans in France provide unfunded lump sum benefits at retirement as required under collective employee agreements.

iv) North America

USA

There are 2 defined benefit plans in the USA: a retirement plan and a post-retirement medical plan. The defined benefit retirement plan is closed to future accrual. The consolidated entity has agreed to provide contributions to finance the funding shortfall in line with local funding standards. Following the introduction of significant legislation changes to medical insurance arrangements in the USA, the consolidated entity has terminated the benefit for the majority of plan participants. This plan amendment resulted in a partial settlement during the year. A small number of retirees are still eligible for the benefit until 31 December 2015 only.

Canada

There are 5 defined benefit plans in Canada. Four of these plans provide retirement benefits and one provides post-retirement medical benefits. The retirement plans are no longer accruing future benefits and provide beneft indexation in line with inflation and salaries where it is required under local legislation. One of the retirement plans was amended to remove the link to future salary increases for the past service liabilities.

v) Australia & Asia

The defined benefit section of the Australian superannuation plan has been closed to new entrants for over 10 years. In 2012 the Company transferred salaried members from the defined benefit section to the defined contribution section of the Australian plan. In 2013 the Company also transferred the hourly paid members to the defined contribution section. The Company's remaining defined benefits in the Australian plan were crystallised as lump sums in December 2013 resulting in a full plan settlement.

In November 2013 and leading up to the demerger of the Australasia and Packaging Distribution business, the Company also wound-up the New Zealand Superannuation Plan which provided hybrid defined benefit and defined contribution retirement pensions and lump sum amounts. The plan had a funding surplus which was allocated to augment members benefits resulting in a full plan settlement.

Note 24. Retirement Benefit Assets and Obligations (continued)

(b) Movements of defined benefit obligation and fair value of plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

$ million	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at 1 July 2013[1]	**1,651.5**	**(1,346.1)**	**305.4**
Included in profit or loss			
Current service cost	22.7	-	22.7
Past Service Cost - Plan Amendments	(19.6)	-	(19.6)
Past service cost - Curtailments / Settlements	(155.5)	148.0	(7.5)
Interest expense/(income)	56.3	(48.4)	7.9
Total amount recognised in profit or loss	**(96.1)**	**99.6**	**3.5**
Included in other comprehensive income			
Remeasurements:			
- loss/(gain) from change in demographic assumptions	4.4	-	4.4
- loss/(gain) from change in financial assumptions	29.7	-	29.7
- experience loss/(gain)	6.1	-	6.1
- return on plan assets, excluding amounts included in interest expense/(income)	-	(12.0)	(12.0)
- restrictions on assets recognised	-	0.3	0.3
Effect of movements in exchange rates	79.9	(78.6)	1.3
Total amount recognised in other comprehensive income	**120.1**	**(90.3)**	**29.8**
Other			
Contributions:			
- paid by the employer	-	(49.4)	(49.4)
- paid by participants	8.0	(8.0)	-
Benefits paid	(87.1)	87.1	-
Total other	**(79.1)**	**29.7**	**(49.4)**
Balance at 30 June 2014	**1,596.4**	**(1,307.1)**	**289.3**
Australia/Asia	7.0	(2.3)	4.7
UK	601.6	(637.1)	(35.5)
Swizterland	479.2	(398.5)	80.7
Other Europe	362.2	(175.6)	186.6
North America	146.4	(93.6)	52.8
	1,596.4	**(1,307.1)**	**289.3**
Actives	525.3		
Vested Terminees	495.7		
Retirees	575.4		
	1,596.4		

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 24. Retirement Benefit Assets and Obligations (continued)

(b) Movements of defined benefit obligation and fair value of plan assets (continued)

$ million	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/(asset)
Balance at 1 July 2012 [(1)]	1,488.5	(1,221.4)	267.1
Included in profit or loss			
Current service cost	30.0	-	30.0
Past Service Cost - Plan Amendments	(5.1)	-	(5.1)
Past service cost - Curtailments / Settlements	(131.5)	110.6	(20.9)
Interest expense/(income)	52.6	(44.6)	8.0
Total amount recognised in profit or loss	(54.0)	66.0	12.0
Included in other comprehensive income			
Remeasurements:			
- loss/(gain) from change in demographic assumptions	39.0	-	39.0
- loss/(gain) from change in financial assumptions	123.7	-	123.7
- experience loss/(gain)	0.4	-	0.4
- return on plan assets, excluding amounts included in interest expense/(income)	-	(105.3)	(105.3)
- restrictions on assets recognised	-	0.4	0.4
Effect of movements in exchange rates	128.4	(99.6)	28.8
Total amount recognised in other comprehensive income	291.5	(204.5)	87.0
Other			
Contributions:			
- paid by the employer	-	(62.0)	(62.0)
- paid by participants	8.4	(8.4)	-
Benefits paid	(84.2)	84.2	-
Business acquisitions	1.3	-	1.3
	(74.5)	13.8	(60.7)
Balance at 30 June 2013 Restated	1,651.5	(1,346.1)	305.4
Australia/Asia	176.4	(149.5)	26.9
UK	546.4	(570.4)	(24.0)
Swizterland	443.4	(369.7)	73.7
Other Europe	337.1	(167.6)	169.5
North America	148.2	(88.9)	59.3
	1,651.5	(1,346.1)	305.4
Actives	656.2		
Vested Terminees	467.3		
Retirees	525.2		
Other	2.8		
	1,651.5		

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 24. Retirement Benefit Assets and Obligations (continued)

(c) Movement of irrecoverable surplus

$ million	2014	2013 Restated[1]
Irrecoverable Surplus at 1 July	**0.4**	-
Interest Cost on Irrecoverable Surplus	**-**	-
Change in Irrecoverable Surplus in Excess of Interest	**0.3**	0.4
Effect of movements in exchange rates	**-**	-
Irrecoverable Surplus at 30 June	**0.7**	0.4

(d) Estimated future contributions and weighted average duration

	2014
Weighted average duration of defined benefit obligation, years	**18.3**
Contributions next period, $ million	**27.8**

(e) Principal actuarial assumptions

The principal actuarial assumptions (expressed as weighted averages) used for the purposes of reporting under AASB 119 *Employee Benefits* for the consolidated entity's defined benefit plans are as follows:

	2014	2013 Restated[1]
Discount rate	**3.31%**	3.49%
Rate of inflation	**2.46%**	2.43%
Longevity at age 65 for current pensioners	**Years**	**Years**
Males	**18.9 - 24.5**	18.8 - 24.1
Females	**21.2 - 27.6**	20.7 - 29.6

The sensitivities of the carrying amount of the defined benefit obligation of the consolidated entity to movements in the above principal assumptions are summarised below:

	2014	
	Impact on defined benefit obligation	
$ million	**Increase in assumption**	**Decrease in assumption**
Discount rate (10% movement)	**(93.0)**	**100.5**
Rate of inflation (10% movement)	**38.7**	**(37.5)**
Future mortality (1 year movement)	**48.6**	**(49.7)**

The sensitivity to inflation rate includes the impact from movements in all inflation linked assumptions such as salary increases and pension increases.

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 24. Retirement Benefit Assets and Obligations (continued)

(f) Expected maturity analysis

The expected maturity analysis of undiscounted defined benefit obligations for the following years is as follows:

$ million	2014	2013 Restated[1]
Defined benefit payments payable:		
Within one year	**60.0**	65.8
Between 1-2 years	**59.4**	67.6
Between 2-5 years	**203.5**	222.8
More than 5 years	**432.1**	455.1
	755.0	811.3

(g) Categories of plan assets

The major categories of plan assets are as follows:

	2014			2013 Restated[1]		
$ million	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity instruments:	**354.6**	**-**	**354.6**	398.9	-	398.9
North American	52.0	-	52.0	47.4	-	47.4
European	118.0	-	118.0	126.0	-	126.0
Emerging Markets	59.3	-	59.3	50.2	-	50.2
Other [2]	125.3	-	125.3	175.3	-	175.3
Government Bonds - fixed interest	**334.1**	**-**	**334.1**	257.6	-	257.6
North American	26.5	-	26.5	26.7	-	26.7
European	294.5	-	294.5	220.1	-	220.1
Emerging Markets	13.1	-	13.1	10.8	-	10.8
Corporate Bonds	**240.5**	**-**	**240.5**	239.2	-	239.2
North American	4.2	-	4.2	6.1	-	6.1
European	236.3	-	236.3	233.1	-	233.1
Emerging Markets	-	-	-	-	-	-
Real Estate	**62.9**	**0.2**	**63.1**	57.0	0.3	57.3
Cash and Cash-Equivalents	**12.6**	**-**	**12.6**	159.7	(0.2)	159.5
Indemnified Assets	**-**	**115.0**	**115.0**	-	111.5	111.5
Other	**170.0**	**17.9**	**187.9**	105.1	17.4	122.5
	1,174.7	**133.1**	**1,307.8**	1,217.5	129.0	1,346.5

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

(2) Equity instruments allocated in ‘Other’ consist of instruments held in diversified growth funds.

Note 25. Contributed Equity

$ million	Note	2014	2013
Issued and paid-up:			
1,206,684,923 ordinary shares with no par value (2013: 1,206,684,923)[1]	25(a)	**2,900.6**	3,831.9
Nil partly-paid ordinary shares with no par value (2013: nil)[2]	25(b)	**-**	-
		2,900.6	3,831.9
Treasury shares:			
1,507,134 ordinary shares with no par value (2013: 1,121,967)[3]	25(c)	**(15.2)**	(10.6)
Total contributed equity		**2,885.4**	3,821.3

(1) Fully-paid ordinary shares carry one vote per share and carry the right to dividends.

(2) There are no partly-paid ordinary shares at 30 June 2014 (2013: nil). During the financial year ended 30 June 2013 partly-paid ordinary shares comprising 415,000 shares paid to five cents and 64,000 shares paid to one cent under Employee Share/Option Plans representing an aggregate uncalled capital of $3.4 million were brought to account.

(3) Treasury shares are shares in the Company that are held by the Amcor Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's Employee Share Plans (refer note 29).

(a) Reconciliation of fully-paid ordinary shares

	2014		2013	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**1,206,685**	**3,831.9**	1,206,685	3,802.1
Calls on partly-paid shares	**-**	**-**	479	3.4
Issue of shares under the Employee Share Purchase Plan (note 29(a))	**-**	**-**	171	-
Restriction lifted on shares issued under the Employee Share Purchase Plan	**-**	**-**	-	2.3
Loan repayments under the Employee Share Option Plan (note 29(b)(i))	**-**	**-**	-	1.1
Exercise of options under the Long Term Incentive Plan (note 29(b)(ii))	**9,637**	**66.9**	14,438	98.2
Exercise of performance rights under the Long Term Incentive Plan (note 29(b)(ii))	**1,085**	**5.3**	2,784	11.7
Exercise of performance rights under the Equity Management Incentive Plan (note 29(c)(iv))	**2,459**	**15.7**	1,811	11.0
Exercise of options under the Employee Share Option Plan (note 29(b)(i))	**-**	**-**	1,358	8.3
Forward contract to purchase own equity to meet share plan obligations	**-**	**(55.0)**	-	(59.6)
Forward contract settled to satisfy exercise of options and rights under Employee Share Plans	**-**	**-**	(14,750)	-
Shares purchased on-market to satisfy exercise of options and rights under Employee Share Plans	**-**	**-**	(3,157)	(23.7)
Treasury shares used to satisfy exercise of options and rights under Employee Share Plans	**(13,181)**	**(55.3)**	(3,134)	(22.9)
Capital reduction on demerger of Australasia Packaging and Distribution business [4]	**-**	**(908.9)**	-	-
Balance at end of period	**1,206,685**	**2,900.6**	1,206,685	3,831.9

(4) The demerger of the AAPD business on 31 December 2013 was implemented through a capital reduction which reduced the contributed equity of the Company by $908.9 million and the establishment of a demerger reserve of $564.5 million (refer note 3). The capital reduction, together with the demerger dividend, were applied to provide Amcor shareholders with one share of demerged business, Orora Limited, for each share held in the Company.

(b) Reconciliation of partly-paid ordinary shares

	2014		2013	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**-**	**-**	479	-
Converted to fully paid ordinary shares	**-**	**-**	(479)	-
Balance at end of period	**-**	**-**	-	-

Note 25. Contributed Equity (continued)

(c) Reconciliation of treasury shares

	2014		2013	
	No. '000	**$ million**	No. '000	$ million
Balance at beginning of period	**1,122**	**10.6**	2,500	17.7
Acquisition of shares by the Amcor Employee Share Trust	**5,642**	**59.9**	1,756	15.8
Forward contract settled	**7,924**	**-**	-	-
Employee Share Plan issue	**(13,181)**	**(55.3)**	(3,134)	(22.9)
Balance at end of period	**1,507**	**15.2**	1,122	10.6

Note 26. Reserves and Retained Earnings

(a) Reserves

$ million	**Available-for-sale revaluation reserve**	**Cash flow hedge reserve**	**Share-based payments reserve**	**Demerger Reserve**	**Exchange fluctuation reserve [(1)]**	**Total reserves**
Balance at 1 July 2013	**(1.5)**	**(3.1)**	**80.4**	**-**	**(852.3)**	**(776.5)**
Other comprehensive income/(loss):						
Net change in fair value	**2.8**	**-**	**-**	**-**	**-**	**2.8**
Reclassification to profit or loss	**-**	**5.2**	**-**	**-**	**-**	**5.2**
Reclassified to non-financial assets	**-**	**0.1**	**-**	**-**	**-**	**0.1**
Effective portion of changes in fair value	**-**	**(2.2)**	**-**	**-**	**-**	**(2.2)**
Transfer to accruals for deferred cash settlement			**(4.4)**			**(4.4)**
Currency translation differences	**-**	**-**	**-**	**-**	**6.6**	**6.6**
Deferred tax	**-**	**(0.8)**	**-**	**-**	**7.5**	**6.7**
Total other comprehensive income/(loss)	**2.8**	**2.3**	**(4.4)**	**-**	**14.1**	**14.8**
Transactions with owners in their capacity as owners:						
Tax effect on forward contracts utilised to purchase own equity to meet share plan obligations	**-**	**-**	**-**	**-**	**-**	**-**
Tax effect on forward contracts entered into to purchase own equity to meet share plan obligations	**-**	**-**	**(5.1)**	**-**	**-**	**(5.1)**
Settlement of performance rights	**-**	**-**	**(36.2)**	**-**	**-**	**(36.2)**
Share-based payments expense	**-**	**-**	**35.0**	**-**	**-**	**35.0**
Demerger of Australasia and Packaging Distribution Segment	**(1.3)**	**(2.9)**	**-**	**(564.5)**	**(18.9)**	**(587.6)**
Balance at 30 June 2014	**-**	**(3.7)**	**69.7**	**(564.5)**	**(857.1)**	**(1,355.6)**
Balance at 1 July 2012	(1.2)	(4.9)	117.8	-	(1,105.6)	(993.9)
Other comprehensive income/(loss):						
Net change in fair value	(0.3)	-	-	-	-	(0.3)
Reclassification to profit or loss	-	3.9	-	-	-	3.9
Reclassified to non-financial assets	-	(2.0)	-	-	-	(2.0)
Effective portion of changes in fair value	-	0.2	-	-	-	0.2
Currency translation differences	-	-	-	-	186.0	186.0
Deferred tax	-	(0.3)	-	-	67.3	67.0
Total other comprehensive income/(loss)	(0.3)	1.8	-	-	253.3	254.8
Transactions with owners in their capacity as owners:						
Tax effect on forward contracts utilised to purchase own equity to meet share plan obligations	-	-	(28.2)	-	-	(28.2)
Tax effect on forward contracts entered into to purchase own equity to meet share plan obligations	-	-	5.4	-	-	5.4
Settlement of performance rights	-	-	(49.0)	-	-	(49.0)
Share-based payments expense	-	-	34.4	-	-	34.4
Balance at 30 June 2013	(1.5)	(3.1)	80.4	-	(852.3)	(776.5)

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 26. Reserves and Retained Earnings

(b) Retained earnings

$ million	2014	2013 Restated [1]
Retained earnings at the beginning of the period	**565.5**	507.7
Net profit attributable to members of the owners of Amcor Limited	**564.8**	583.7
Non-controlling interest buy-out	**-**	(16.3)
Actuarial losses on defined benefit plans, net of tax	**(22.0)**	(44.9)
	1,108.3	1,030.2
Ordinary dividends:		
- Interim paid	**(235.4)**	(235.4)
- Final paid	**(247.5)**	(229.3)
	(482.9)	(464.7)
Retained earnings at the end of the period	**625.4**	565.5

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 27. Dividends

Dividends recognised in the current period by the consolidated entity are:

	Cents per share	Total amount $ million	Date of payment
2014			
2014 Interim dividend per fully paid share	19.5	235.4	26 March 2014
2013 Final dividend per fully paid share	20.5	247.5	30 September 2013
		482.9	
2013			
2013 Interim dividend per fully paid share	19.5	235.4	27 March 2013
2012 Final dividend per fully paid share	19.0	229.3	25 September 2012
		464.7	

In addition to the above dividends, since the end of the financial year, the Directors have declared the following final dividend. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2014 and will be recognised in subsequent consolidated financial statements.

	Cents per share	Total amount $ million	Date of payment
2014			
2014 Final dividend per fully paid share[1]	23.5	283.6	30 September 2014
2013			
2013 Final dividend per fully paid share[1]	20.5	247.4	30 September 2013

(1) Estimated final dividend payable, subject to variations in number of shares up to record date.

Franking Account
There are insufficient franking credits available for distribution from the franking account. Accordingly, the final dividend for 2014 is unfranked (2013: unfranked).

Conduit Foreign Income Account
For non-resident shareholders for Australian tax purposes, dividends will not be subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's Conduit Foreign Income Account. For the dividend payable on 30 September 2014, 100% of the dividend to non-residents is sourced from the parent entity's Conduit Foreign Income Account (2013: 100%). As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

Note 28. Financial Risk Management

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, commodity price risk and employee share plan risk), liquidity risk and credit risk. This note presents information about the consolidated entity's exposure to each of the above risks, the consolidated entity's objectives, policies and processes for measuring and managing risk, and the consolidated entity's management of capital.

Financial risk management is carried out by Amcor Group Treasury under policies approved by the Board which set out the principles and procedures with respect to risk tolerance, delegated authority levels, internal controls, management of foreign currency, interest rate and counterparty credit exposures and the reporting of exposures. The Board has determined written policies for overall risk management, as well as written policies covering specific areas such as mitigating foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments. The Group Treasury policies, including risk threshold benchmarks, are reviewed at least annually and approved by the Board.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the consolidated entity's financial performance. Appropriate commercial terms are negotiated or derivative financial instruments are used, such as foreign exchange contracts and interest rate swaps, to hedge these risk exposures. Amcor Group Treasury identifies, evaluates and hedges financial risks in conjunction with the finance departments of the consolidated entity's business groups. Derivatives are exclusively used for hedging purposes – i.e. not as trading or other speculative instruments. Derivatives are designated as hedges under AASB 139 *Financial Instruments: Recognition and Measurement*, refer note 1(j).

(a) Market risk

(i) Foreign currency risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States (US) dollar, Euro, British pound, Swiss franc and New Zealand (NZ) dollar. Foreign currency exposures arise from future commercial transactions (transaction risk) and translation of balance sheet items of foreign subsidiaries (translation risk).

Foreign currency transaction risk

To manage the foreign currency exchange risk arising from commercial transactions, management has a policy to use forward exchange contracts to hedge forecast or actual foreign currency exposures greater than A$500,000, where the exposure is measured at forecast or actual transactional cash flows in currencies other than the functional currency of the business. This limit applies to both an individual transaction and to a number of individual exposures relating to the one transaction that totals more than A$500,000. Local management may elect to hedge exposures of less than A$500,000. All capital expenditure exposures greater than A$100,000, whether forecast or committed, are hedged or must have a hedging strategy in place. In the presence of contractual certainty of a foreign currency transaction greater than the threshold, 100% of the foreign currency exposure is hedged.

Where there is contractual uncertainty, the proportion of a forecasted foreign currency exposure hedged is dependent upon the timeframe of the forecasted transaction. Forecast hedge proportions are as follows:

- Up to six months 75%
- Seven to 12 months 50%
- One to two years 25%
- Over two years Nil

Forecast exposure greater than two years from the forecast date must not be hedged unless specifically approved by the Executive Vice President Finance and Chief Financial Officer.

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

The following table details the maturity of the receipts/payments of forward currency contracts (Australian dollar equivalents) outstanding at balance date for those currency exposures that the consolidated entity is primarily exposed to:

	Weighted average rate		Contract amounts	
	2014	2013	**2014 $ million**	2013 $ million
Buy USD Sell AUD 0-12 months	**0.94**	0.98	**292.4**	251.8
Buy USD Sell AUD 1-2 years	**-**	1.02	**-**	-
Sell USD Buy AUD 0-12 months	**-**	0.96	**-**	(6.7)
Net USD position - Buy USD			**292.4**	245.1
Buy USD Sell EUR 0-12 months	**1.38**	1.30	**8.2**	12.7
Sell USD Buy EUR 0-12 months	**0.73**	1.32	**(48.4)**	(79.0)
Sell USD Buy EUR 1-2 years	**-**	1.33	**-**	(1.2)
Net USD position - Sell USD			**(40.2)**	(67.5)
Buy EUR Sell AUD 0-12 months	**0.69**	0.75	**773.9**	375.7
Buy EUR Sell AUD 1-2 years	**0.69**	-	**0.1**	-
Sell EUR Buy AUD 0-12 months	**0.68**	-	**(3.0)**	-
Net EUR position - Buy EUR			**771.0**	375.7
Buy EUR Sell GBP 0-12 months	**1.21**	1.19	**25.3**	14.0
Buy EUR Sell GBP 1 - 2 years	**1.22**	1.22	**-**	3.2
Sell EUR Buy GBP 0-12 months	**1.24**	1.18	**(192.7)**	(221.4)
Net EUR position - Sell EUR			**(167.4)**	(204.2)
Buy CHF Sell EUR 0-12 months	**1.22**	1.24	**32.0**	10.7
Sell CHF Buy EUR 0-12 months	**-**	1.22	**-**	(8.2)
Net CHF position - Buy CHF			**32.0**	2.5
Buy CHF Sell USD 0-12 months	**0.90**	0.92	**175.0**	177.7
Sell CHF Buy USD 0-12 months	**0.93**	0.93	**(13.9)**	(11.5)
Sell CHF Buy USD 1 - 2 years	**0.89**	0.93	**(2.8)**	(4.0)
Net CHF position - Buy CHF			**158.3**	162.2
Buy GBP Sell USD 0-12 months	**0.60**	0.64	**60.2**	5.3
Net GBP position - Buy GBP			**60.2**	5.3
Buy SGD Sell AUD 0-12 months	**1.16**	-	**80.4**	-
Net SGD position - Buy SGD			**80.4**	
Buy MXN Sell USD 0-12 months	**12.94**	-	**43.5**	-
Buy MXN Sell USD 1-2 years	**12.98**	-	**10.8**	-
Net MXN position - Buy MXN			**54.3**	
Buy NZD Sell AUD 0-12 months	**1.09**	1.23	**0.9**	11.8
Sell NZD Buy AUD 0-12 months	**1.10**	1.24	**(1.0)**	(6.2)
Net NZD position - (Sell)/Buy NZD			**(0.1)**	5.6
Buy CAD Sell USD 0-12 months	**1.07**	1.03	**93.0**	33.1
Buy CAD Sell USD 1-2 years	**1.05**	1.03	**6.7**	5.1
Sell CAD Buy USD 0-12 months	**-**	1.02	**-**	(1.6)
Sell CAD Buy USD 1 - 2 years	**-**	1.00	**-**	(0.2)
Net CAD position - Buy CAD			**99.7**	36.4

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency transaction risk (continued)

Forward exchange contracts are measured at fair value with gains and losses taken to the cash flow hedge reserve until such time as the hedged item affects profit or loss or they are included in the costs of hedged inventory purchases or other asset acquisitions.

During the 12 months to 30 June 2014, the continuing operations of the consolidated entity transferred a $5.2 million loss (2013: $3.9 million loss) from equity to operating profit while a $0.1 million loss was added to the measurement of non-financial assets (2013: $2.0 million gain). The amounts that were transferred to operating profit have been included in the following income statement lines:

$ million	2014	2013
Cost of sales	(5.2)	(3.1)
Financial expenses	-	(0.8)
Profit/ (Loss)	(5.2)	(3.9)

Foreign currency translation risk

The consolidated entity has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the consolidated entity's foreign operations is managed primarily through borrowings denominated in the relevant foreign currency. Refer to note 1(k) for further comments regarding the accounting treatment of effective and ineffective portions of hedges of net investments in foreign operations, and treatment of disposals of foreign operations.

The following table details the denomination of the net assets and net debt (Australian dollar equivalents) at the end of the financial period:

$ million	USD	Euro	GBP	CHF	NZD	Other	Total Restated [1]
2014							
Designated hedges	637.8	1,441.5	198.9	177.7	88.5	23.9	2,568.3
Natural hedges	883.6	145.3	(26.2)	(29.8)	(17.8)	(324.0)	631.1
Net debt	1,521.4	1,586.8	172.7	147.9	70.7	(300.1)	3,199.4
Net assets, excluding net debt	1,545.5	1,625.4	194.9	194.4	139.9	1,770.4	5,470.5
Net assets	24.1	38.6	22.2	46.5	69.2	2,070.5	2,271.1
2013							
Designated hedges	691.1	1,398.8	181.0	169.9	79.8	24.4	2,545.0
Natural hedges	809.9	29.8	(26.4)	(16.1)	(0.9)	626.2	1,422.5
Net debt	1,501.0	1,428.6	154.6	153.8	78.9	650.6	3,967.5
Net assets, excluding net debt	1,857.7	1,638.6	174.8	184.9	320.3	3,495.0	7,671.3
Net assets	356.7	210.0	20.2	31.1	241.4	2,844.4	3,703.8

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

No portion of hedges of net investments in foreign currency operations were ineffective for the consolidated entity for the financial years ended 30 June 2014 and 30 June 2013.

Exchange rate sensitivity

The following table illustrates the sensitivity of the debt and financial derivatives of the consolidated entity of movements in the value of the Australian dollar against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges. The translation of net assets in subsidiaries with a functional currency other than the Australian dollar has not been included as part of the equity movement in the sensitivity analysis.

Consistent with Amcor's hedging policy it applies a prudent cash flow hedging policy approach where all forward contracts that do not have an underlying exposure already within the balance sheet are designated as cash flow hedges at inception when entering a forward exchange contract. Subsequent testing of effectiveness ensures that all effective hedge movements flow through the cash flow hedge reserve within equity. Consistent with this approach the sensitivity for movements in foreign exchange rates will flow through equity and will therefore have minimal pre-tax impact on profit.

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Exchange rate sensitivity (continued)

	Change in foreign exchange rate increase/(decrease)		Impact on equity decrease/(increase)	
	2014	**2013**	**2014**	**2013**
	%	**%**	**$ million**	**$ million**
United States dollar	**7.2**	12.1	**1.1**	35.6
Euro	**7.6**	11.2	**44.7**	29.8
British pound	**7.9**	10.9	**20.2**	2.1
Swiss franc	**8.2**	11.8	**18.4**	5.0
New Zealand dollar	**5.9**	6.9	**2.6**	16.0

The sensitivity assumption is considered reasonable given the percentages used are based on the 30 June one year volatility used in pricing foreign exchange option markets sourced independently. These sensitivities are shown for illustrative purposes only and it should be noted that it is unlikely that all currencies would move in the same direction at any given time.

(ii) Interest rate risk

The consolidated entity is exposed to interest rate risk as it invests and borrows funds at both fixed and floating rates. Interest rate risk is the risk that the consolidated entity's financial position will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed borrowings in a falling interest rate environment.

Amcor Group Treasury manages the consolidated entity's exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates and, where appropriate, hedging floating interest rate exposure or borrowings at fixed interest rates through the use of interest rate swaps and forward interest rate contracts. The consolidated entity's policy is to hold up to 75.0% fixed rate debt. At 30 June 2014 approximately 54.0% of the consolidated entity's debt is fixed rate (2013: 54.0%).

Interest rate swaps are entered into by the consolidated entity to effectively convert borrowings from floating rates into fixed rates and vice versa. The consolidated entity uses swaps contracts to maintain a designated proportion of fixed to floating debt.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. The following table summarises the impact on the post-tax profit of a movement of 100 basis points in the floating interest rate on the relevant interest rate yield curve applicable to the underlying currency the borrowings are denominated in, with all other variables held constant.

The analysis below shows the sensitivity of movements subject to cash flow risk and the impact on profit. For the consolidated entity, no financial assets or liabilities that are subject to interest rate risk have been designated at fair value through other comprehensive income or as available-for-sale therefore there is no impact upon equity. These sensitivities are shown for illustrative purposes only.

	Interest rate increase		Interest rate decrease[(1)]	
$ million	**2014**	2013	**2014**	2013
Impact on post-tax profit				
Australian dollar	**(1.4)**	(5.3)	**1.4**	5.3
United States dollar	**(7.6)**	(7.3)	**-**	-
Euro	**(4.7)**	(4.4)	**-**	-
British pound	**(2.0)**	(1.8)	**-**	-
Hong Kong dollar	**(0.2)**	(0.2)	**-**	-
New Zealand dollar	**(0.9)**	(0.8)	**0.9**	0.8
Other currencies	**(0.2)**	(0.3)	**0.2**	0.3

(1) The above table excludes 100 basis point declines in the relevant interest rate yield curve where this would result in a rate less than zero.

The 100 basis points movement has been determined as reasonable based on the consolidated entity's current credit rating and mix of debt in Australia and foreign countries, relationships with financial institutions, the level of the debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecasters' expectations.

Note 28. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Commodity price risk

The consolidated entity is exposed to commodity price risk from a number of commodities, including aluminium, resin and certain other raw materials.

In managing commodity price risk, the consolidated entity is ordinarily able to pass on the price risk contractually to customers through rise and fall adjustments. In the case of aluminium, some hedging is undertaken using fixed price swaps on behalf of certain customers. Hedging undertaken is based on customer instructions and all related benefits and costs are passed onto the customer on maturity of the transaction.

Movements in commodity hedges are recognised within equity. The cumulative amount of the hedge is recognised in the income statement when the forecast transaction is realised. However, there is no impact on profit as a result of movements in commodity prices where hedges have been put in place as the consolidated entity passes the price risk contractually through to customers through rise and fall adjustments in customer contractual arrangements. As the consolidated entity ultimately passes on the risk associated with the movements in commodity prices, no sensitivity has been performed.

(iv) Employee share plan risk

Employee share trust

The consolidated entity is exposed to movements in the value of the ordinary shares of Amcor Limited in respect of the Group's obligations under the consolidated entity's Employee Share Plans (refer note 29).

To mitigate this risk the consolidated entity formed the Amcor Employee Share Trust (the 'Trust') to manage and administer the consolidated entity's responsibilities under the Employee Share Plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees.

The Trust is consolidated as the substance of the relationship is that the Trust is controlled by the consolidated entity. All shares held by the Trust are disclosed as treasury shares and deducted from contributed equity. As at 30 June 2014, the Trust held 1,507,134 of the Company's shares (2013: 1,121,967 shares), refer note 25.

In addition to utilising the Trust to manage movements in the underlying value of ordinary shares of Amcor Limited, the consolidated entity has entered into forward contracts for the on-market purchase of ordinary shares of the Company. The following table sets out the details of the forward contract arrangements for the consolidated entity:

Forward purchase contracts

	2014			2013		
	Expiry date	**Contract volume**	**Average hedged price $**	Expiry date	Contract volume	Average hedged price $
Less than one year	-	-	-	31 Aug 13	1,888,877	7.22
Between one and five years	**May-17**	**5,300,000** [(1)]	**10.38**	31 Oct 16	35,777 [(1)]	7.03
				31 Oct 16	6,000,000 [(1)]	9.93

[(1)]The forward contract for the on-market purchase of ordinary shares is expected to be called within 12 months and has been classified as current (refer note 22).

The financial liability of the forward contract (refer note 22) is measured at the present value of the expenditure required to settle the contract with a corresponding reduction, net of any related income tax effects, recognised in equity (refer notes 25 and 26).

Note 28. Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Liquidity risk management involves maintaining available funding and ensuring the consolidated entity has access to an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, Amcor Group Treasury aims to maintain flexibility within the funding structure through the use of bank overdrafts, bank loans, commercial paper and corporate bonds. The consolidated entity manages this risk through the following:

- maintaining minimum undrawn committed liquidity of at least A$330.0 million (in various currencies) that can be drawn upon at short notice;
- regularly performing a comprehensive analysis of all cash inflows and outflows in relation to operational, investing and financing activities;
- generally using tradeable instruments only in highly liquid markets;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- monitoring duration of long-term debt;
- only investing surplus cash with major financial institutions; and
- to the extent practicable, spreading the maturity dates of long-term debt facilities.

(i) Financing arrangements

The committed and uncommitted standby arrangements and unused credit facilities of the consolidated entity are analysed in the table below. Committed facilities are those where an agreement is in place with the bank to provide funds on request up to a specified maximum at a specified interest rate and where agreement conditions must be adhered to by the borrower for the facility to remain in place. Uncommitted facilities are those where an agreement is in place with the bank where the bank agrees in principle to make funding available but is under no obligation to provide funding.

	2014			2013		
$ million	**Committed**	**Uncommitted**	**Total**	Committed	Uncommitted	Total
Financing facilities available:						
Bank overdrafts	**-**	**132.9**	**132.9**	56.2	143.3	199.5
Unsecured bill acceptance facility/standby facility	**955.5**	**-**	**955.5**	970.9	-	970.9
Loan facilities and term debt	**4,289.2**	**96.7**	**4,385.9**	4,270.9	67.2	4,338.1
	5,244.7	**229.6**	**5,474.3**	5,298.0	210.5	5,508.5
Facilities utilised:						
Bank overdrafts	**-**	**4.8**	**4.8**	-	28.4	28.4
Unsecured bill acceptance facility/standby facility	**253.2**	**-**	**253.2**	707.2	-	707.2
Loan facilities and term debt	**3,419.5**	**63.0**	**3,482.5**	3,573.6	53.2	3,626.8
	3,672.7	**67.8**	**3,740.5**	4,280.8	81.6	4,362.4
Facilities not utilised:						
Bank overdrafts	**-**	**128.1**	**128.1**	56.2	114.9	171.1
Unsecured bill acceptance facility/standby facility	**702.3**	**-**	**702.3**	263.7	-	263.7
Loan facilities and term debt	**869.7**	**33.7**	**903.4**	697.3	14.0	711.3
	1,572.0	**161.8**	**1,733.8**	1,017.2	128.9	1,146.1

For the purposes of reporting on management's internal liquidity targets to the Board, undrawn committed facility capacity excludes bank overdrafts and other short-term subsidiary loan borrowings. Refer to note 21 for further details of the major funding arrangements of the consolidated entity.

Note 28. Financial Risk Management (continued)

(b) Liquidity risk (continued)

(ii) Maturity of financial liabilities
The table below analyses the consolidated entity's financial liabilities and net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including principal and/or interest, calculated at 30 June.

$ million	1 year or less	1-2 years	2-5 years	More than 5 years	Total
2014					
Non-derivatives					
Non-interest-bearing	**2,643.9**	**5.0**	**-**	**-**	**2,648.9**
Variable rate	**375.7**	**50.3**	**463.7**	**5.7**	**895.4**
Fixed rate	**316.3**	**190.7**	**1,828.7**	**1,098.1**	**3,433.8**
Total non-derivatives	**3,335.9**	**246.0**	**2,292.4**	**1,103.8**	**6,978.1**
Derivatives					
Gross settled					
- Inflow	**2,060.0**	**36.9**	**-**	**-**	**2,096.9**
- Outflow	**(2,042.0)**	**(33.4)**	**-**	**-**	**(2,075.4)**
Total financial liabilities	**18.0**	**3.5**	**-**	**-**	**21.5**
2013					
Non-derivatives					
Non-interest-bearing	3,087.5	22.0	-	-	3,109.5
Variable rate	1,202.3	397.7	5.8	5.9	1,611.7
Fixed rate	127.5	316.3	961.9	2,103.1	3,508.8
Total non-derivatives	4,417.3	736.0	967.7	2,109.0	8,230.0
Derivatives					
Gross settled					
- Inflow	1,461.5	26.3	-	-	1,487.8
- Outflow	(1,427.7)	(24.6)	-	-	(1,452.3)
Total financial liabilities	33.8	1.7	-	-	35.5

Actual and forecasted cash flows of each business segment are regularly monitored to assess the funding requirements of the consolidated entity to enable management to ensure that the consolidated entity has access to a range of diverse funding sources over various timeframes in order to meet cash flow requirements and to maintain adequate liquidity of the consolidated entity.

(c) Counterparty credit risk

The consolidated entity is exposed to credit risk arising from its operating activities (primarily from customer receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk represents the loss that would be recognised if a counterparty failed to fulfil their obligation under a financial instrument contract or a debtor relationship.

The consolidated entity manages credit risk through procedures including utilisation of systems for approval, granting and renewal of credit limits, regular monitoring of exposures against such credit limits and assessing the overall financial stability and competitive strength of the counterparty on an on-going basis. Credit policies cover exposures generated from the sale of products and the use of derivative instruments.

Credit risks related to balances with banks and financial institutions are managed by Amcor Group Treasury in accordance with Board approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions with a minimum long-term credit rating of A- or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds is made only with approved counterparties and within credit limits assigned to each counterparty. The consolidated entity has no significant concentration of credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

Note 28. Financial Risk Management (continued)

(c) Counterparty credit risk (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises in relation to financial guarantees given to certain parties securing the liabilities of certain subsidiaries, and are only provided in exceptional circumstances (refer note 35).

Credit risks exposures related to trade and other receivables are discussed in note 12.

(d) Capital risk management

The key objectives of the consolidated entity when managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the consolidated entity. The consolidated entity defines capital as including equity and net debt of the Group, refer note 21.

The key objectives include:

- maintaining an investment grade rating and maintaining appropriate financial metrics;
- securing access to diversified sources of debt and equity funding with sufficient undrawn committed facility capacity; and
- optimising the Weighted Average Cost of Capital (WACC) to the consolidated entity while providing financial flexibility.

In order to optimise the capital structure, the Company and its management may alter the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down additional debt or sell assets to reduce debt in line with the strategic objectives and operating plans of the consolidated entity.

The capital management strategy aims to achieve an investment grade rating and this has been confirmed by the Board. The ratings as at 30 June 2014 were investment grade BBB/Baa2 (2013: BBB/Baa2). The consolidated entity uses a range of financial metrics to monitor the efficiency of its capital structure, including leverage ratio, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) interest cover (pre non-cash significant items) and bank debt to total debt, and ensures that its capital structure provides sufficient financial strength to allow it to secure access to debt finance at reasonable cost.

At 30 June, the consolidated entity's on-balance sheet leverage ratio was 2.0 times (2013: 2.5 times). The EBITDA interest cover (pre significant items) was 7.5 times (2013: 7.3 times). The consolidated entity aims to keep the targeted leverage ratio between 2.25 to 2.75 times, the EBITDA interest cover (pre non-cash significant items) above 6.0 times. EBITDA is accounting profit before Interest, Tax, Depreciation and Amortisation, pre significant items, after adding back depreciation and amortisation. Metrics are maintained in excess of any debt covenant restrictions.

The consolidated entity does not have a defined share buy-back plan. From time to time the consolidated entity purchases its own shares on the market to neutralise any potential dilution that would otherwise occur from the issuance of shares under employee share plans (refer note 29) and dividend reinvestment program.

There were no changes to the consolidated entity's approach to capital management during the year.

(e) Fair value of financial instruments

Determination of fair values

The fair values of cash and cash equivalents and short-term monetary financial assets and financial liabilities approximate their carrying value. The fair values of other monetary financial assets and liabilities are either based upon market prices, where a market exists, or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles.

The fair value of listed equity investments has been valued by reference to market prices prevailing at reporting date. The quoted market price used is the current bid price. The fair value of unquoted equity investments is assessed based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment.

The carrying value of trade and other receivables less impairment provisions and trade payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

The fair value of derivative financial assets and liabilities detailed below reflects the estimated amounts which the consolidated entity would be required to pay or receive to terminate the contracts or replace the contracts at their current market rates at reporting date. This is based on internal valuations using standard valuation techniques. As the purpose of these derivative financial instruments is to hedge the consolidated entity's underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely that, in the absence of abnormal circumstances, these contracts would be terminated prior to maturity. For details relating to methods and significant assumptions applied in determining fair values of financial assets and liabilities, refer to note 1(w).

Note 28. Financial Risk Management (continued)

(e) Fair value of financial instruments (continued)

The carrying amount and fair values of financial assets and liabilities by category and class for the consolidated entity at 30 June are:

$ million	Note	Loans and receivables	Available-for-sale	Fair value - hedging instruments	Designated at fair value through profit or loss	Other financial assets and liabilities	Total carrying value	Total fair value
2014								
Financial assets								
Cash and cash equivalents	11	**541.1**	**-**	**-**	**-**	**-**	**541.1**	**541.1**
Trade and other receivables	12, 14	**1,589.6**	**-**	**-**	**-**	**-**	**1,589.6**	**1,589.6**
Derivative financial instruments	14	**-**	**-**	**9.1**	**54.9**	**-**	**64.0**	**64.0**
Other financial assets	14	**0.4**	**-**	**-**	**-**	**1.0**	**1.4**	**1.4**
		2,131.1	**-**	**9.1**	**54.9**	**1.0**	**2,196.1**	**2,196.1**
Financial liabilities								
Trade and other payables	20	**-**	**-**	**-**	**-**	**2,648.9**	**2,648.9**	**2,648.9**
Bank and other loans	21	**-**	**-**	**-**	**-**	**604.5**	**604.5**	**604.5**
Commerical paper	21	**-**	**-**	**-**	**-**	**253.2**	**253.2**	**253.2**
US Dollar notes	21	**-**	**-**	**-**	**-**	**1,224.4**	**1,224.4**	**1,391.7**
Euro notes	21	**-**	**-**	**-**	**-**	**217.3**	**217.3**	**250.9**
Eurobond	21	**-**	**-**	**-**	**-**	**1,254.1**	**1,254.1**	**1,373.0**
Swiss bond	21	**-**	**-**	**-**	**-**	**177.7**	**177.7**	**185.9**
Lease Liabilities	21	**-**	**-**	**-**	**-**	**9.2**	**9.2**	**9.2**
Forward contracts to purchase own equity to meet share plan obligations	22	**-**	**-**	**-**	**-**	**55.0**	**55.0**	**55.0**
Derivative financial instruments	22	**-**	**-**	**-**	**11.8**	**-**	**11.8**	**11.8**
		-	**-**	**-**	**11.8**	**6,444.3**	**6,456.1**	**6,784.1**
2013								
Financial assets								
Cash and cash equivalents	11	394.9	-	-	-	-	394.9	394.9
Trade and other receivables	12, 14	1,939.3	-	-	-	-	1,939.3	1,939.3
Available-for-sale financial assets	14	-	4.6	-	-	-	4.6	4.6
Derivative financial instruments	14	-	-	13.9	23.3	-	37.2	37.2
Other financial assets	14	0.3	-	-	-	1.0	1.3	1.3
		2,334.5	4.6	13.9	23.3	1.0	2,377.3	2,377.3
Financial liabilities								
Trade and other payables	20	-	-	-	-	3,109.5	3,109.5	3,109.5
Bank and other loans	21	-	-	-	-	870.9	870.9	870.9
Commerical paper	21	-	-	-	-	707.2	707.2	707.2
US Dollar notes	21	-	-	-	-	1,215.6	1,215.6	1,419.7
Euro notes	21	-	-	-	-	210.9	210.9	241.8
Eurobond	21	-	-	-	-	1,177.1	1,177.1	1,279.2
Swiss bond	21	-	-	-	-	169.9	169.9	174.0
Lease Liabilities	21	-	-	-	-	10.8	10.8	10.8
Forward contracts to purchase own equity to meet share plan obligations	22	-	-	-	-	73.8	73.8	73.8
Derivative financial instruments	22	-	-	1.3	27.4	-	28.7	28.7
		-	-	1.3	27.4	7,545.7	7,574.4	7,915.6

The fair value of the US dollar notes, the Eurobond and the Swiss bond reflects the revaluation of these instruments, at prevailing market rates. The US dollar notes mature between December 2014 and December 2021 while the Eurobonds mature between April 2019 and March 2023, and the Swiss bond in April 2018 (refer note 21).

For all other assets and liabilities, based on the facts and circumstances existing at reporting date and the nature of the consolidated entity's assets and liabilities, including hedged positions, the consolidated entity has no reason to believe that any of the above assets could not be exchanged, or any of the above liabilities could not be settled in an 'arm's length' transaction at an amount approximating its carrying value having considered those routinely held to maturity.

Note 28. Financial Risk Management (continued)

(f) Fair value measurements

Financial assets and liabilities carried at fair value are detailed in the table below by valuation method. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as over the counter prices) or indirectly (i.e. derived from over the counter prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise derivative financial instruments.

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3. The consolidated entity holds no level 3 instruments at 30 June 2014 (2013: nil).

The following table presents the consolidated entity's assets and liabilities measured and recognised at fair value.

		Level 1		Level 2		Level 3	
$ million	Note	**2014**	2013	**2014**	2013	**2014**	2013
Financial assets							
Available-for-sale financial assets:							
Investments in companies listed on stock exchanges at fair value	14	**-**	4.6	**-**	-	**-**	-
Derivative financial instruments:							
Forward exchange contracts	14	**-**	-	**8.9**	36.8	**-**	-
Interest rate swaps	14	**-**	-	**54.9**	-		
Contracts for cash settled employee share plan options ('American' style contracts)	14	**-**	-	**0.2**	0.4	**-**	-
		-	4.6	**64.0**	37.2	**-**	-
Financial liabilities							
Derivative financial instruments:							
Forward exchange contracts	22	**-**	-	**10.4**	10.7	**-**	-
Interest rate swaps	22	**-**	-	**-**	12.4	**-**	-
Commodity contracts	22	**-**	-	**1.4**	5.6	**-**	-
		-	-	**11.8**	28.7	**-**	-

Note 29. Share-Based Payments

(a) Employee Share Purchase Plans

In 1985, the consolidated entity established the Employee Share Purchase Plan (ESPP). The following sub-plans have been implemented pursuant to this plan.

(i) Employee Incentive Share Plan

Under the Employee Incentive Share Plan (EISP), shares were offered for the benefit of all full-time employees, permanent part-time employees and executive Directors of the Company with more than 12 months service. The number of shares offered depended upon the Company's annual increase in earnings per share (before significant items).

The EISP has been discontinued and during the 30 June 2013 period the plan was wound up. There were no commitments at 30 June 2014 to issue shares under the EISP (2013: nil) and none were granted or exercised during the year ended 30 June 2014 (2013: nil).

Note 29. Share-Based Payments (continued)

(a) Employee Share Purchase Plans (continued)

(ii) Senior Executive Retention Share Plan
Under the Senior Executive Retention Share Plan (SERSP), the Board nominates certain Senior Executives as eligible to receive fully-paid ordinary shares in part satisfaction of their remuneration for the relevant financial year. The number of shares issued is at the discretion of the Board. The restrictions on these shares do not allow the employee to dispose of the shares for a period of up to five years (or otherwise as determined by the Board), unless the employee ceases employment later than three years after the shares were issued. Any right or interest in the shares will be forfeited if the employee voluntarily ceases employment within three years from the date the shares were issued or, if the employee is dismissed during the restriction period, for cause or poor performance. The shares subject to the SERSP carry full dividend entitlements and voting rights.

The weighted average fair value for these SERSP's is calculated using the market value at the date the shares were issued.

Details of the total movement in shares issued under the SERSP during the current and comparative period are as follows:

	Weighted average 2014 fair value		Weighted average 2013 fair value	
	No.	**$**	**No.**	**$**
Restricted shares at beginning of financial period	**268,750**	**7.70**	454,303	6.63
Issued during the period	**-**	**-**	171,250	8.18
Restriction lifted	**(30,000)**	**6.35**	(356,803)	6.57
Forfeited shares due to demerger of Australasia and Packaging Distribution business	**(178,750)**	**8.13**	-	-
Restricted shares at end of financial period	**60,000**	**7.11**	268,750	7.70

(b) Employee Share Plans

(i) Employee Share Option Plan
In 1985, the consolidated entity established the Employee Share Option Plan (ESOP). Under the ESOP, partly-paid shares or options over shares in the Company can be issued to executive officers and Directors (including Directors who are executives) and senior staff members at the discretion of the Board.

The partly-paid shares are issued at the closing market price on the allotment date. The call outstanding only becomes payable on termination, death or at the Directors' discretion. Voting rights exercisable by holders of partly-paid ordinary shares are reduced pro rata to the portion of the issue price paid up on those shares as per the Australian Securities Exchange (ASX) Listing Rules. As at 30 June 2014 there are nil partly-paid shares outstanding, the remaining 479,000 were converted to ordinary shares during the financial year ended 30 June 2013 leaving nil outstanding at that date.

The ESOP was discontinued and the plan wound up during the financial year ended 30 June 2013.

Details of the total movement in options issued under the ESOP during the current and comparative period are as follows:

	Weighted average 2014 fair value		Weighted average 2013 fair value	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**-**	**-**	1,514,244	2.02
Exercised	**-**	**-**	(1,358,236)	2.03
Lapsed	**-**	**-**	-	-
Cancelled	**-**	**-**	(156,008)	2.00
Outstanding at end of financial period	**-**	**-**	-	-

Note 29. Share-Based Payments (continued)

(b) Employee Share Plans (continued)

(ii) Long Term Incentive Plan

In June 2006, the consolidated entity established the Amcor Long Term Incentive Plan (LTIP). Under the LTIP, share options or performance rights over shares in the Company, or performance shares, may be issued to executive officers, senior executives and senior co-workers. The exact terms and conditions of each award are determined by the Directors of the Company at the time of granting.

In 2010 the Alcan Acquisition Award was granted under the LTIP to executive officers, senior executives and senior staff members selected by the Directors. The movements in the share options and performance rights or performance shares issued under this award are included in the table below.

Share Options

Share options granted under the LTIP give the co-worker the right to acquire a share at a future point in time upon meeting specified vesting conditions that are both time and performance-based and require payment of an exercise price. The share options are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. The number of share options that ultimately vest is subject to a Return on Average Funds Employed (RoAFE) test and the satisfaction of a relative Total Shareholder Return (TSR) test.

Share options that have vested following satisfaction of time and performance conditions will remain exercisable until the expiry date. On expiry, any vested but unexercised share options will lapse.

Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.

Performance Rights and Performance Shares

Performance rights or performance shares granted under the LTIP give the co-worker the right to receive a share at a future point in time upon meeting specified vesting conditions that are both time and performance-based with no exercise price payable. The performance rights or performance shares are granted at no consideration and carry no dividend entitlement or voting rights until they vest and are exercised to ordinary shares on a one-for-one basis. The number of performance rights or performance shares that ultimately vest is subject to a relative TSR test.

Performance rights or performance shares that have vested following satisfaction of time and performance conditions will remain exercisable until the expiry date. On expiry, any vested but unexercised performance rights or performance shares will lapse.

Unvested awards are forfeited if the co-worker voluntarily ceases employment or is dismissed for poor performance.

CEO Special Equity Award

Share rights granted under this plan give the co-worker the right to receive fully paid ordinary shares upon meeting specified vesting conditions that are both time and performance-based with no exercise price payable. The share rights are granted at no consideration and carry no dividend entitlement or voting rights until they vest into ordinary shares on a one-for-one basis. The number of share rights that ultimately vest is subject to alignment of performance with the Amcor Values as assessed by the Company Managing Director and Chief Executive Officer. The performance period is for a defined period from 1 July 2013 to 30 June 2016.

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(ii) Long Term Incentive Plan (continued)

Details of the total movement in share options and performance rights or performance shares issued under the LTIP during the current and comparative period is as follows:

	Options		Rights		CEO Awards	
Weighted average fair value	**No.**	**$**	**No.**	**$**	**No.**	**$**
2014						
Outstanding at beginning of financial period	**40,981,096**	**1.25**	**4,563,070**	**4.30**	**-**	**-**
Granted	**5,996,000**	**1.75**	**1,496,100**	**6.00**	**704,700**	**9.59**
Exercised	**(8,455,650)**	**1.62**	**(1,007,034)**	**4.29**	**-**	**-**
Lapsed	**-**	**-**	**-**	**-**	**-**	**-**
Cancelled	**(1,269,800)**	**1.20**	**(168,716)**	**4.41**	**-**	**-**
Demerger of Australasia and Packaging Distribution business						
Vested early and exercised[1]	**(1,181,600)**	**1.21**	**(77,800)**	**4.46**	**-**	**-**
Forfeited award replaced by deferred cash settlement[1]	**(1,631,000)**	**1.03**	**(85,800)**	**4.66**	**-**	**-**
Forfeited [1]	**(869,200)**	**1.05**	**(247,900)**	**4.21**	**-**	**-**
Additional rights allocated due to the change in capital structure post demerger [1]	**-**	**-**	**545,280**	**-**	**-**	**-**
Outstanding at end of financial period	**33,569,846**	**1.26**	**5,017,200**	**4.34**	**704,700**	**9.59**
Exercisable at end of financial period	**1,160,400**	**1.56**	**32,500**	**4.23**	**-**	**-**
2013						
Outstanding at beginning of financial period	48,039,977	1.42	5,418,450	4.28		
Granted	8,527,600	1.05	2,027,400	4.21		
Exercised	(14,438,281)	1.68	(2,783,780)	4.19		
Lapsed	-		-			
Cancelled	(1,148,200)	1.41	(99,000)	4.54		
Outstanding at end of financial period	40,981,096	1.25	4,563,070	4.30		
Exercisable at end of financial period	713,500	1.78	57,500	4.31		

(1) Details of these options and rights are included in the tables under (b)(iii) and (b)(iv), respectively.

Notes to the financial statements
30 June 2014

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iii) Movement table for Employee Share Options
The following table provides detail of the options granted under the ESOP and LTIP for the consolidated entity during the current year ended 30 June 2014:

					Options lapsed/ cancelled		Options exercised			Balance at end of period		
Granted between	Expiry date	Exercise price [1] $	Balance at beginning of period No.	Options granted No.	Non Demerger No.	Demerger related No.	Non Demerger No.	Demerger related [4] No.	Weighted average share price at exercise date $	On issue No.	Vested & Exercisable No.	Proceeds received $
30 June 2014												
1 Dec 08 to 2 Jan 09	29 Sep 13	5.09	111,000	-	-	-	(111,000)	-	10.51	-	-	564,990
24 Nov 09 to 8 Jun 10	29 Sep 16	3.51	8,916,996	-	(189,500)	-	(4,965,050)	(280,600)	10.67	3,481,846	460,800	24,780,937
12 Apr 10	29 Sep 16	4.64	2,973,100	-	-	-	(1,509,900)	-	10.63	1,463,200	365,600	8,220,324
5 Aug to 22 Sep 10	29 Sep 16	5.17	1,976,000	-	-	-	(1,642,000)	-	10.69	334,000	334,000	10,309,380
23 May 11	29 Sep 16	5.57	239,600	-	-	-	(135,700)	-	10.49	103,900	-	921,403
7 Jun 11	29 Sep 16	5.83	92,000	-	-	-	(92,000)	-	10.58	-	-	648,600
9 Dec 11 to 12 Jun 12	30 Nov 17	5.81	3,968,400	-	(274,900)	-	-	(901,000)	11.19	2,792,500	-	6,334,030
9 Dec 11 to 12 Jun 12	30 Nov 18	5.81	14,176,400	-	(401,600)	(1,631,000) [2]	-		-	12,143,800	-	-
30 Nov 12	31 Oct 19	6.09	8,527,600	-	(339,800)	(869,200) [3]	-	-	-	7,318,600	-	-
30 Nov 13	30 Oct 20	9.31	-	5,996,000	(64,000)	-	-	-	-	5,932,000	-	-
			40,981,096	5,996,000	(1,269,800)	(2,500,200)	(8,455,650)	(1,181,600)		33,569,846	1,160,400	51,779,664

(1) Exercise price has been adjusted due to the change in capital structure post demerger of the Australasia and Packaging Distribution business. The exercise price was reduced by $1.22 which represented the 5-day Volume Weighted Average Price of the demerged business, Orora Limited, post demerger. This adjustment was made to maintain the relative entitlements of the option holders at the same level pre and post demerger.

(2) Options forfeited in return for a deferred cash award due to the demerger of the Australasia and Packaging Distribution business. The Company will reimburse Orora Limited the cash paid to these employees provided they remain employed by Orora Limited at the time of payment in March 2015. This is in accordance with the terms and conditions of the Demerger Deed.

(3) Options forfeited on demerger of the Australasia and Packaging Distribution business and were replaced by awards provided by the demerged business post demerger.

(4) Options that vested early and exercised on demerger of the Australasia and Packaging Distribution business.

Notes to the financial statements
30 June 2014

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iii) Movement table for Employee Share Options

The following table provides detail of the options granted under the ESOP and LTIP for the consolidated entity during the comparative year ended 30 June 2013:

Granted between	Expiry date	Exercise price	Balance at beginning of period	Options granted	Options lapsed/ cancelled	Options exercised	Weighted average share price at exercise date	Balance at end of period: On issue	Balance at end of period: Vested & Exercisable	Proceeds received
		$	No.	No.	No.	No.	$	No.	No.	$
30 June 2013										
1 Nov to 31 Dec 07	18 Sep 12	6.54	840,266	-	-	(840,266)	7.63	-	-	5,495,340
13 Oct 03[(1)]	1 Nov 12	7.67	79,200	-	-	(79,200)	7.67	-	-	607,464
1 Nov 02[(1)]	1 Nov 12	7.67	1,435,044	-	(156,008)	(1,279,036)	7.79	-	-	9,810,206
1 Dec 08 to 2 Jan 09	29 Sep 13	5.09	2,310,940	-	-	(2,199,940)	7.85	111,000	111,000	11,197,695
24 Nov 09 to 8 Jun 10	29 Sep 16	4.73	17,389,971	-	(185,000)	(8,287,975)	7.59	8,916,996	449,000	39,202,122
12 Apr 10	29 Sep 16	5.86	5,899,600	-	-	(2,926,500)	8.30	2,973,100	153,500	17,149,290
18 Jun 10	29 Sep 16	6.53	494,000	-	(494,000)	-	-	-	-	-
5 Aug to 22 Sep 10	29 Sep 16	6.39	2,178,000	-	(202,000)	-	-	1,976,000	-	-
23 May 11	29 Sep 16	6.79	423,200	-	-	(183,600)	7.66	239,600	-	1,246,644
7 Jun 11	29 Sep 16	7.05	92,000	-	-	-	-	92,000	-	-
9 Dec 11 to 12 Jun 12	30 Nov 17	7.03	4,109,000	-	(140,600)	-	-	3,968,400	-	-
9 Dec 11 to 12 Jun 12	30 Nov 18	7.03	14,303,000	-	(126,600)	-	-	14,176,400	-	-
30 Nov 12	31 Oct 19	7.31		8,504,300	-	-	-	8,504,300		
30-Nov-12	31 Oct 19	7.61		23,300	-	-	-	23,300	-	-
			49,554,221	8,527,600	(1,304,208)	(15,796,517)		40,981,096	713,500	84,708,761

(1) Fixed exchange rates apply to overseas participants on these share option grants.

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iv) Movement table for Employee Share Right Plans

The following table provides detail of the rights granted under the LTIP for the consolidated entity during the current year ended 30 June 2014:

					Rights lapsed/ cancelled		Rights exercised			Balance at end of period	
Granted between	Expiry date	Balance at beginning of period No.	Rights granted No.	Rights allocated due to Demerger[(1)] No.	Non Demerger No.	Demerger related No.	Non Demerger No.	Demerger related[(4)] No.	Weighted average share price at exercise date $	On issue No.	Vested & Exercisable No.
30 June 2014											
4 Nov 09 to 18 Jun 10	30 Jun 16	1,419,470	-	61,780	(25,000)	-	(848,150)	(37,200)	10.64	570,900	17,500
5 Aug 10	30 Jun 16	157,600	-	3,900	(9,456)	-	(137,044)	-	10.51	15,000	15,000
23 May to 7 Jun 11	30 Jun 16	33,000	-	1,300	(360)	-	(21,840)	-	10.51	12,100	-
9 Dec to 12 Jun 12	30 Nov 17	179,800	-	17,000	(12,900)	-	-	(40,600)	11.19	143,300	-
9 Dec to 12 Jun 12	30 Nov 18	745,800	-	78,600	(21,700)	(85,800) [(2)]	-	-	-	716,900	-
30 Nov 12	31 Oct 19	2,027,400	-	206,400	(82,100)	(247,900) [(3)]	-	-	-	1,903,800	-
20-Nov-13	30 Oct 20	-	1,496,100	176,300	(17,200)	-	-	-	-	1,655,200	-
		4,563,070	1,496,100	545,280	(168,716)	(333,700)	(1,007,034)	(77,800)		5,017,200	32,500

(1) Additional rights were allocated due to the change in capital structure post demerger of the Australasia and Packaging Distribution business. The number of rights pre demerger were increased by 12%, rounded to the nearest hundred. These allocations were made to maintain the relative entitlements of the rights holders at the same level pre and post demerger.

(2) Rights forfeited in return for a deferred cash award due to the demerger of the Australasia and Packaging Distribution business. The Company will reimburse Orora Limited the cash paid to these employees provided they remain employed by Orora Limited at the time of payment in March 2015. This is in accordance with the terms and conditions of the Demerger Deed.

(3) Rights forfeited on demerger of the Australasia and Packaging Distribution business and were replaced by awards provided by the demerged business post demerger.

(4) Rights that vested early and exercised on demerger of the Australasia and Packaging Distribution business.

Note 29. Share Based Payments (continued)

(b) Employee Share Plans (continued)

(iv) Movement table for Employee Share Right Plans

The following table provides detail of the rights granted under the LTIP for the consolidated entity during the comparative year ended 30 June 2013:

Granted between	Expiry date	Balance at beginning of period No.	Rights granted No.	Rights lapsed/ cancelled No	Rights exercised No.	Weighted average share price at exercise date $	Balance at end of period On issue No.	Balance at end of period Vested & Exercisable No.
30 June 2013								
1 Dec 08 to 2 Jan 09	30 Jun 13	1,401,080	-	-	(1,401,080)	7.69	-	-
4 Nov 09 to 18 Jun 10	30 Jun 16	2,852,970	-	(69,500)	(1,364,000)	7.57	1,419,470	57,500
5 Aug 10	30 Jun 16	174,000	-	(16,400)	-	-	157,600	-
23 May to 7 Jun 11	30 Jun 16	51,700	-	-	(18,700)	7.66	33,000	-
9 Dec to 12 Jun 12	30 Nov 17	186,200	-	(6,400)	-	-	179,800	-
9 Dec to 12 Jun 12	30 Nov 18	752,500	-	(6,700)	-	-	745,800	-
30 Nov 12	31 Oct 19	-	2,027,400	-	-	-	2,027,400	-
		5,418,450	2,027,400	(99,000)	(2,783,780)		4,563,070	57,500

Note 29. Share Based Payments (continued)

(c) Other compensation plans

Entitlement plans are an alternative to the ESPP and the ESOP and are in place in countries where the Company is unable to issue shares or options. Participants are offered entitlements and, over the period during which employees hold their entitlements, their value will mirror the fluctuating value of Amcor Limited shares, including (in the case of the Employee Bonus Payment Plan) all dividends paid on the shares during this time.

(i) Employee Bonus Payment Plan

The Employee Bonus Payment Plan (EBPP) is equivalent to the EISP and enables the Company to offer employees, in certain countries, an equivalent plan where the EISP is unavailable. Offers of new entitlements under the EBPP have been discontinued and during the period the plan was wound up.

(ii) Senior Executive Retention Payment Plan

From time to time, the Board may nominate certain employees as eligible to participate in the Senior Executive Retention Payment Plan (SERPP). Instead of receiving fully-paid ordinary shares, entitlements are issued in part satisfaction of an employee's remuneration for the relevant financial year. The value of each plan entitlement is linked to the performance of Amcor Limited shares (including the value of accrued dividends). Plan entitlements may be converted into a cash payment after the five year restriction period has expired (or otherwise as determined by the Board), provided that the employee has not been dismissed for cause or poor performance during this time. If the employee voluntarily ceases employment within four or five years from the date the plan entitlements were issued, the employee forfeits 40% or 20% of their plan entitlements, respectively.

Details of the entitlements issued under the SERPP during the current and comparative period are as follows:

	Weighted average 2014 fair value		**Weighted average 2013 fair value**	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**70,000**	**7.62**	-	-
Granted			70,000	7.62
Exercised	**-**	**-**	-	-
Cancelled	**-**	**-**	-	-
Additional allocation due to the change in capital structure post demerger of Australasia and Packaging Distribution business(1)	**8,400**	**-**	-	-
Outstanding at end of financial period	**78,400**	**7.62**	70,000	7.62

(1) The pre demerger awards were increased by 12%, rounded to the nearest hundred. These allocations were made to maintain the relative entitlements of the holders at the same level pre and post demerger.

(iii) Cash Settled Employee Share Plan Options

Cash settled employee share plan options are issued to employees residing in jurisdictions that, for statutory reasons, are not covered by option plans described above. The cash settled employee share plan options operate in a manner similar to other option plans, although no entitlements to actual shares or options exist.

The following table summarises the entitlements issued during the current and comparative period under the Cash Settled Employee Share Plan (Cash Settled):

	Weighted average 2014 fair value		**Weighted average 2013 fair value**	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**-**	**-**	180,400	0.15
Exercised	**-**	**-**	(114,400)	0.15
Lapsed	**-**	**-**	(17,600)	0.15
Cancelled	**-**	**-**	(48,400)	0.15
Outstanding at end of financial period	**-**	**-**	-	-

Note 29. Share Based Payments (continued)

(c) Other compensation plans (continued)

(iv) Management Incentive Plan – Equity
The Management Incentive Plan – Equity (EMIP) provides an additional short-term incentive opportunity to selected executives, globally, in the form of rights to Amcor Limited shares.

The number of rights that are allocated to each eligible executive is based on:
- 50% of the value of the cash bonus payable under the EMIP, following the end of the performance period;
- the volume weighted average price of Amcor Limited ordinary shares for the five trading days prior to 30 June, being the end of the performance period; and
- where cash bonuses are determined in currencies other than Australian dollars, the average foreign exchange rate for the same five day period.

An executive will forfeit allocated performance rights if either they voluntarily leave Amcor employment during the restriction period or their employment is terminated for cause. Board discretion applies in the case of involuntary termination of employment and change of control.

For the year ended 30 June 2014, the equity outcomes will be determined and allocated in September 2014. For the year ended 30 June 2014, the consolidated entity recognised an expense of $3.9 million (2013: $4.2 million) in relation to this incentive plan.

The following table summarises the entitlements issued during the current and comparative period under the Management Incentive Plan (EMIP):

	Weighted average 2014 fair value		Weighted average 2013 fair value	
	No.	**$**	**No.**	**$**
Outstanding at beginning of financial period	**4,224,145**	**6.44**	4,025,914	6.07
Granted	**1,885,300**	**9.47**	2,186,462	6.80
Exercised	**(2,080,591)**	**6.09**	(1,810,936)	6.08
Lapsed	**-**	**-**	-	-
Cancelled	**(210,315)**	**6.91**	(177,295)	6.14
Demerger of Australasia and Packaging Distribution business				
Vested early and exercised	**(378,498)**	**8.09**	-	4.46
Additional rights allocated due to the change in capital structure post demerger(1)	**411,611**	**-**	-	-
Outstanding at end of financial period	**3,851,652**	**7.23**	4,224,145	6.44

(1) The pre demerger rights were increased by 12%, rounded to the nearest hundred. These allocations were made to maintain the relative entitlements of the holders at the same level pre and post demerger. The post demerger combined weighted average fair value of these additional rights and their corresponding original rights is maintained at the same weighted average fair value of the original rights pre demerger.

Note 29. Share Based Payments (continued)

(d) Fair value of options and rights granted

Fair value of options
The fair value of each option granted is estimated on the date of grant using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, and where applicable the market condition criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following weighted average assumptions were used for options granted in the current and comparative period:

	2014	2013
Expected dividend yield (%)	**4.40**	5.10
Expected price volatility of the Company's shares (%)	**21.00**	21.00
Share price at grant date ($)	**11.02**	7.90
Exercise price ($)	**10.53**	7.31
Historical volatility (%)	**21.00**	21.00
Risk-free interest rate (%)	**3.75**	2.87
Expected life of option (years)	**4.00**	4.00

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated changes. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. For specific details of grant dates and exercise prices, refer note 29(b).

Fair value of rights
The fair value of each grant is estimated at grant date using a Monte-Carlo valuation model which simulates the date of vesting, the percentage vesting, the share price and total shareholder return. Once the simulated date of vesting is determined, a Black-Scholes methodology is utilised to determine the fair value of the rights granted. For specific details of grant dates, refer note 29(b).

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

$ thousand	**2014**	2013
Equity settled share-based payment transactions		
Options issued	**10,566**	14,782
Performance rights issued and other compensation plans	**22,428**	19,663
Demerger of Australasia and Packaging Distribution business		
Forfeited options and rights replaced by deferred cash settlement on demerger	**979**	-
Options and rights vested early and exercised	**1,530**	-
Options and rights forfeited	**(535)**	-
Cash settled share-based payment transactions		
Cash settled share-based payments	**(5)**	1,396
Total share-based payment expense	**34,963**	35,841
Share-based payment expense reported in note 7 'Significant Items'	**1,974**	-
Share-based payment expense reported in note 6 'Expenses from continuing operations'	**32,989**	35,841

(f) Liabilities for share-based payments

$ thousand	**2014**	2013
Cash settled share-based payments liability		
Shares	**645**	710
Shares - Overseas	**-**	1
Demerger of Australasia and Packaging Distribution business		
Additional awards allocated due to the change in capital structure post demerger	**62**	
Forfeited award replaced by deferred cash settlement on demerger	**4,394**	
Total carrying amount of liabilities for cash settled arrangements	**5,101**	711

Note 30. Related Party Disclosures

(a) Key Management Personnel compensation

The following table details the compensation paid to Key Management Personnel (KMP) included in 'employee benefits expense', refer note 6.

$ thousand	2014	2013
Short term employee benefits	**14,420**	16,011
Long term employee benefits	**156**	125
Post employment benefits	**1,166**	1,053
Termination benefits	**19**	39
Share-based payments expense	**7,960**	8,714
	23,721	25,942

(b) Individual Directors' and Executives' compensation disclosures

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report. Apart from the information disclosed in this note, no Director has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

No individual KMP or related party holds a loan greater than $100,000 with the consolidated entity (2013: nil). No impairment losses have been recognised in relation to any loans made to KMP (2013: nil) and no loans were advanced during the current year (2013: nil).

Other than those items discussed above, there have been no other transactions between key management personnel and the Company.

(c) Other disclosures

Subsidiaries
Details of investments in associates, jointly controlled entities and controlled entities are disclosed in notes 16 and 33.

Equity accounted investments
During the year ended 30 June 2014, the consolidated entity incurred research and development expenditure totalling $4.8 million (2013:$3.9 million) on behalf of Discma AG, a jointly controlled entity (refer note 16). These costs were on-charged during the period and as at 30 June 2014 an amount of $1.0 million (2013: $1.6 million) is due from the equity accounted investment.

During the 12 months to 30 June 2014, the consolidated entity received dividends of $10.5 million from associates (2013: $70.1 million).

Refer note 16 for further information on equity accounted investments and changes in ownership interest.

Other related parties
Contributions to superannuation funds on behalf of employees are disclosed in note 6.

Note 31. Contingencies

Details of contingent liabilities where the probability of future payments/receipts is not considered remote are set out below:

$ million	2014	2013
Contingent liabilities	55.4	6.5
Total contingent liabilities	**55.4**	6.5

The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. Details of contingent liabilities are set out below.

- Under the terms of the ASIC Class Order 98/1418 (as amended) dated 13 August 1998, which relieved certain wholly-owned subsidiaries from the requirement to prepare audited financial statements, Amcor Limited and certain wholly-owned subsidiaries have entered into an approved deed for the cross guarantee of liabilities with those subsidiaries identified in note 34. No liabilities subject to the deed of cross guarantee at 30 June 2014 are expected to arise to Amcor Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.
- The consolidated entity operates in many territories around the globe under different direct and indirect tax regimes. From time to time the consolidated entity receives assessments for additional tax from revenue authorities which, having consulted with experts including external counsel, it believes are unfounded. Nonetheless, at any point in time matters will be under discussion and review with revenue authorities for which a theoretical exposure may exist. Amcor believes that the likelihood of these having a material impact on the consolidated entity's financial position, results of operations or cash flows is remote.

  Specifically, the Brazil operations have received a series of excise and income tax claims from the local tax authorities which are being challenged via a court process. In the opinion of outside counsel these claims have a remote likelihood of being upheld, however as these cases progress through the court system in Brazil, Amcor is required to pledge assets, provide letters of credit and/or deposit cash with the courts to continue to defend the cases. The company will continue to provide such pledges in the future as the matters are being vigorously defended by Amcor. At this stage, it is not possible to make a reasonable estimate of the amount or range of expense that could result from an unfavourable outcome in respect of these or any additional assessments that may be issued in the future as penalties and interest may be applied should the entity be unsuccessful in defending the cases. Management continues to monitor with the support of external counsel and all means are being examined in order to minimise any exposure.

Note 32. Commitments

(a) Operating lease commitments

$ million	2014	2013 Restated [1]
Lease expenditure contracted but not provided for or payable:		
Within one year	**82.9**	77.7
Between one and five years	**192.4**	174.5
More than five years	**121.5**	82.4
	396.8	334.6
Less sub-lease rental income	**(7.8)**	(6.6)
	389.0	328.0

[1] The prior period comparative has been restated as a result of discontinued operation presentation. Refer to note 3.

The consolidated entity leases motor vehicles, plant and equipment and property under operating leases. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Some leases provide for payment of incremental contingent rentals based on movements in a relevant price index or in the event that units produced by certain leased assets exceed a predetermined production capacity. Contingent rental paid during the period is disclosed in note 6.

(b) Finance lease commitments

$ million	2014	2013 Restated [1]
Lease expenditure contracted and provided for due:		
Within one year	**1.6**	2.6
Between one and five years	**3.5**	4.1
More than five years	**4.7**	4.7
Minimum lease payments	**9.8**	11.4
Less future finance charges	**(0.6)**	(0.6)
	9.2	10.8
Current lease liability (refer note 21)	**1.6**	2.6
Non-current lease liability (refer note 21)	**7.6**	8.2
	9.2	10.8

[1] The prior period comparative has been restated as a result of discontinued operation presentation. Refer to note 3.

(c) Other expenditure commitments

At 30 June 2014 the continuing operations of the consolidated entity had capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of $23.9 million (2013: $39.7 million) and $6.3 million (2013: $5.0 million) in respect of other supplies and services yet to be provided. In addition, at 30 June 2014 the consolidated entity had contractual capital commitments to provide additional cash contributions of $11.0 million (2013: $16.7 million) to the jointly controlled entity Discma AG.

Note 33. Particulars in Relation to Controlled Entities and Businesses

The ultimate controlling party of the consolidated entity is Amcor Limited, a company incorporated in Australia. The companies listed below are those whose results or financial position principally affected the figures shown in the annual financial report.

Controlled entities	Country of incorporation	Amcor Group's effective interest 2014	2013
Amcor Fibre Packaging - Asia Pte Ltd	Singapore	**100.0%**	100.0%
Amcor Rigid Plastics USA, Inc.	United States of America	**100.0%**	100.0%
Amcor Rigid Plastics de Venezuela SA	Venezuela	**61.0%**	61.0%
Amcor Flexibles Inc	United States of America	**100.0%**	100.0%
Vinisa Fueguina S.R.L	Argentina	**100.0%**	100.0%
Amcor Flexibles Transpac BVBA	Belgium	**100.0%**	100.0%
Amcor Flexibles UK Ltd	United Kingdom	**100.0%**	100.0%
Amcor Flexibles Denmark ApS	Denmark	**100.0%**	100.0%
Amcor Flexibles Italia S.r.l.	Italy	**100.0%**	100.0%
Amcor Flexibles Singen GmbH	Germany	**100.0%**	100.0%
Amcor Tobacco Packaging Novgorod	Russia	**100.0%**	100.0%
Amcor Tobacco Packaging Polska Spolka z.o.o	Poland	**100.0%**	100.0%
Amcor Tobacco Packaging Americas Inc.	United States of America	**100.0%**	100.0%
Amcor Flexibles Reflex Sp z.o.o	Poland	**100.0%**	100.0%
Amcor Packaging UK Ltd	United Kingdom	**100.0%**	100.0%
Amcor Flexibles Sarrebourg SAS	France	**100.0%**	100.0%
Amcor Flexibles Selestat SAS	France	**100.0%**	100.0%
Amcor Flexibles Packaging France SAS	France	**100.0%**	100.0%
Amcor Tobacco Packaging St.Petersburg LLC	Russia	**100.0%**	100.0%
Amcor Flexibles Kreuzlingen AG	Switzerland	**100.0%**	100.0%
Tscheulin-Rothal GmbH	Germany	**98.8%**	98.8%
Amcor Flexibles Bangkok Public Company Limited	Thailand	**99.4%**	99.4%
Amcor Flexibles Rorschach AG	Switzerland	**100.0%**	100.0%
Amcor Packaging Canada Inc	Canada	**100.0%**	100.0%
Amcor Flexibles Espana SL	Spain	**100.0%**	100.0%
Amcor Embalagens Da Amazonia SA	Brazil	**100.0%**	100.0%
Amcor Europe LLP	Australia	**100.0%**	100.0%
Amcor Tobacco Packaging Izmir Gravür Baski Sanayi Ticaret AS	Turkey	**100.0%**	100.0%
Amcor Flexibles (Australia) Pty Limited	Australia(1)	**100.0%**	100.0%
Amcor Flexibles (New Zealand) Limited	New Zealand	**100.0%**	100.0%
Amcor Flexibles Burgdorf GmbH	Switzerland	**100.0%**	100.0%
Amcor Tobacco Packaging Switzerland GmbH	Switzerland	**100.0%**	100.0%
Jiangyin Propack Packaging Co Ltd	China	**100.0%**	100.0%
Amcor Flexibles Capsules France SAS	France	**100.0%**	100.0%
Propack Huizhou Limited	China	**100.0%**	100.0%

(1) Amcor Limited and this subsidiary company have entered into an approved deed for the cross guarantee of liabilities, refer note 34.

Acquisition of controlled entities

The consolidated entity acquired the following entities during the year ended 30 June 2014:

- Jiangyiun Shenlong Packaging Material Company Limited
- Amcor Flexibles (Dandenong) Pty Ltd (1)
- Amcor Flexibles (Port Melbourne) Pty Ltd (2)

(1) Renamed from Detmold Flexibles (Dandenong) Pty Ltd

(2) Renamed from Detmold Flexibles (Port Melbourne) Pty Ltd

Further information regarding the acquisitions are detailed in note 4.

Note 33. Particulars in Relation to Controlled Entities and Businesses (continued)

Disposal of controlled entities

30 June 2014
The consolidated entity disposed of the following legal entities on 31 December 2013 as a result of the demerger of the Australasia and Packaging Distribution business:

- Orora Limited (1)
- Acn002693843 Box Pty Ltd
- Agal Holdings Pty Ltd
- Envirocrates Pty Ltd
- Lynyork Pty Ltd
- Fibre Containers (Queensland) Pty Ltd
- Pp New Pty Ltd
- AP Chase Pty Ltd
- Pak Pacific Corporation Pty Ltd
- Rota Die International Pty Ltd
- Rota Die Pty Limited
- Specialty Packaging Group Pty Ltd
- ACN089523919 CCC Pty Ltd
- Amcor Closure Systems Pty Ltd
- Chapview Pty Ltd
- Orora Packaging Australia Pty Ltd (2)
- Amcor Packaging (New Zealand) Ltd
- AAPD NZ Holdings Limited (3)
- AAPD DGP (4)
- AAPD LLC (5)
- Amcor Packaging Distribution, Inc
- Amcor De Mexico SA de CV
- Kent H Landsberg Co De Mexico S.A. De C.V.
- Sunclipse de Mexico S.A de C.V.
- Amcor Sunclipse Texas LLC
- APD California LLC
- Box Builders Inc
- Corrugated Service Orange Inc
- Frantis Manufacturing Company Inc
- Hanson Staple Company Inc
- Just In Time Inc
- KDS Printing and Packaging Inc
- Kent H Landsberg Co of Dallas LP
- Kent H Landsberg Co of El Paso LP
- Kent H Landsberg Co of Illinois LLC
- Kent H Landsberg (Shanghai) CO Ltd
- Kent H Landsberg Singapore Pte Ltd
- Kent H Landsberg Singapore Limited (Taiwan branch)
- Kent H Landsberg Europe Limited
- Landsberg Canada Inc
- The Anle Box & Paper Company of Indiana Inc
- Zetco Inc

(1) On 11 October 2013 Amcor Packaging (Australia) Pty Ltd became a liability company and on 21 October 2013 it changed its name from Amcor Packaging (Australia) Limited to Orora Limited
(2) On 22 August 2013 the company A.C.N. 165 443 667 Pty Ltd was incorporated and on 14 October 2013 it changed its name to Orora Packaging Australia Pty Ltd
(3) This entity was incorporated on 11 October 2013 to facilitate the restructure of the New Zealand business prior to demerger
(4) This partnership was established on 15 October 2013 to facilitate the restructure of the United States business prior to demerger
(5) This limited liability company was established on 15 October 2013 to facilitate the restructure of the United States business prior to demerger

Note 33. Particulars in Relation to Controlled Entities and Businesses (continued)

Disposal of controlled entities (continued)

The following entities were liquidated/dissolved during the year ended 30 June 2014:

- Amcor Packaging Holdco Limited
- Amcor Services No.2
- Brontet BV
- Dravik BV
- Interglass Inc
- Strabo BV
- Amcor Group Management France SAS – merged into Amcor Flexibles Packaging France SAS
- Amcor European Finance LLC

30 June 2013
The consolidated entity did not dispose of any legal entities during the year ended 30 June 2013. The following entities were liquidated during the period:

- Amcor Flexibles Drammen AS
- Amcor Flexibles Envi BV

Note 34. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation and lodgement of audited Financial Reports and Directors' Reports.

It is a condition of the Class Order that the holding entity, Amcor Limited, and each of the relevant subsidiaries enter into a deed of cross guarantee (the 'deed'). The effect of the deed is that, in the event of winding up any of these subsidiaries under certain provisions of the *Corporations Act 2001*, Amcor Limited guarantees to each creditor of that subsidiary payment in full of any debt. If a winding up occurs under other provisions of the *Corporations Act 2001*, Amcor Limited will only be liable in the event that after six months any creditor has not been paid in full. These subsidiaries have also given similar guarantees in the event that Amcor Limited is wound up.

The holding entity, Amcor Limited, and subsidiaries subject to the deed of cross guarantee are:

Amcor Packaging (Asia) Pty Ltd	Amcor European Holdings Pty Ltd
Amcor Services Pty Ltd(1)	Amcor Holdings (Australia) Pty Ltd
Amcor Investments Pty Ltd	Techni-Chem Australia Pty Ltd
Amcor Finance (NZ) Ltd	Amcor Flexibles Group Pty Limited
Anfor Investments Pty Ltd	Amcor Flexibles (Australia) Pty Limited
Packsys Pty Ltd	Packsys Holdings (Aus) Pty Ltd
Amcor Flexibles (Dandenong) Pty Ltd(2)	Amcor Flexibles (Port Melbourne) Pty Ltd(3)

Due to the demerger of the Australasia and Packaging Distribution business on 31 December 2013 the following entities were removed from the Deed of Cross Guarantee:

Amcor Packaging (Australia) Pty Ltd	Amcor Packaging (New Zealand) Ltd
AGAL Holdings Pty Ltd	Envirocrates Pty Ltd
PP New Pty Ltd	AP Chase Pty Ltd
Amcor Closure Systems Pty Ltd	Pak Pacific Corporation Pty Ltd
ACN 002693843 Box Pty Ltd	Lynyork Pty Ltd
Fibre Containers (Qld) Pty Ltd	Specialty Packaging Group Pty Ltd
Rota Die International Pty Ltd	Rota Die Pty Ltd Trustee of Rota Die Trust
ACN 089523919 CCC Pty Ltd	

(1) Name changed from Amcor Nominees Pty Ltd during the year.
(2) Name changed from Detmark Pty Ltd on 30 June 2014.
(3) Name changed from Detmold Flexibles Pty Ltd on 30 June 2014.

Note 34. Deed of Cross Guarantee (continued)

Financial statements for the Amcor Limited Deed of Cross Guarantee
The consolidated income statement, statement of comprehensive income and statement of financial position, comprising Amcor Limited and the wholly-owned subsidiaries party to the deed, after eliminating all transactions between the parties, as at 30 June, are set out below:

(a) Income statement

$ million	2014	2013 Restated [(1)]
Sales revenue	**462.3**	2,466.2
Cost of sales	**(389.2)**	(2,146.1)
Gross profit	**73.1**	320.1
Other income	**565.6**	508.5
Operating expenses	**(526.8)**	(568.6)
Profit from operations	**111.9**	260.0
Financial income	**74.7**	31.4
Financial expenses	**(169.1)**	(175.0)
Net finance costs	**(94.4)**	(143.6)
Profit before related income tax expense	**17.5**	116.4
Income tax (expense) / benefit	**(127.6)**	56.9
(Loss) / Profit for the financial period	**(110.1)**	173.3
Profit attributable to:		
Owners of Amcor Limited	**(110.1)**	173.3
	(110.1)	173.3

[(1)] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 34. Deed of Cross Guarantee (continued)

Financial statements for the Amcor Limited Deed of Cross Guarantee (continued)

(b) Statement of comprehensive income

$ million	2014	2013 Restated [1]
Profit for the financial period	**(110.1)**	173.3
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
Net change in fair value of available-for-sale financial assets	-	(0.3)
Cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	**0.4**	2.8
Net change in fair value of cash flow hedges reclassified to profit or loss	**-**	0.8
Tax on cash flow hedges	**0.2**	(0.7)
Exchange differences on translating foreign operations		
Exchange differences on translation of foreign operations	**32.2**	16.5
Net investment hedge of foreign operations	**-**	(0.7)
Exchange differences on translating foreign operations reclassified to profit or loss	**8.0**	-
Tax on exchange differences on translating foreign operations	**-**	0.2
Items that will not be reclassified to profit or loss:		
Retained earnings		
Actuarial gains/(losses) on defined benefit plans	**(1.2)**	13.5
Tax on actuarial (gains)/losses on defined benefit plans	**0.4**	(3.9)
Other comprehensive income/(loss) for the financial period, net of tax	**40.0**	28.2
Total comprehensive income for the financial period	**(70.1)**	201.5
Total comprehensive income attributable to:		
Owners of Amcor Limited	**(70.1)**	201.5
Non-controlling interest	**-**	-
	(70.1)	201.5

(c) Summarised income statement and retained profits

$ million	2014	2013 Restated [1]
Profit before related income tax expense	**17.5**	116.4
Income tax benefit	**(127.6)**	56.9
Profit for the financial period	**(110.1)**	173.3
Retained (loss)/profits at beginning of financial period	**(297.8)**	(16.0)
Actuarial gains/(losses) recognised directly in equity	**(0.8)**	9.6
Movement predominantly due to demerger of the Australasia and Packaging Distribution business	**707.8**	-
	299.1	166.9
Dividends recognised during the financial period	**(482.9)**	(464.7)
Retained losses at the end of the financial period	**(183.8)**	(297.8)

(1) The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 34. Deed of Cross Guarantee (continued)

Financial statements for the Amcor Limited Deed of Cross Guarantee (continued)

(d) Statement of financial position

$ million	2014	2013 Restated [1]
Current assets		
Cash and cash equivalents	**60.9**	90.1
Trade and other receivables	**1,525.2**	1,443.2
Inventories	**73.4**	406.0
Other financial assets	**1.8**	26.5
Other current assets	**3.3**	32.5
Total current assets	**1,664.6**	1,998.3
Non-current assets		
Other financial assets	**4,776.3**	4,593.3
Property, plant and equipment	**123.3**	1,781.2
Deferred tax assets	**130.2**	181.6
Intangible assets	**160.8**	272.6
Other non-current assets	**4.2**	76.2
Total non-current assets	**5,194.8**	6,904.9
Total assets	**6,859.4**	8,903.2
Current liabilities		
Trade and other payables	**145.4**	485.9
Interest-bearing liabilities	**2,237.5**	2,377.2
Other financial liabilities	**60.4**	75.7
Current tax liabilities	**47.0**	-
Provisions	**59.7**	196.8
Total current liabilities	**2,550.0**	3,135.6
Non-current liabilities		
Trade and other payables	**0.3**	6.2
Interest-bearing liabilities	**1,990.1**	2,035.6
Other financial liabilities	**-**	12.4
Provisions	**5.3**	32.8
Retirement benefit obligations	**-**	22.3
Total non-current liabilities	**1,995.7**	2,109.3
Total liabilities	**4,545.7**	5,244.9
Net assets	**2,313.7**	3,658.3
Equity		
Contributed equity	**2,900.6**	3,831.9
Reserves	**(403.2)**	124.2
Retained profits	**(183.8)**	(297.8)
Total equity	**2,313.6**	3,658.3

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

Note 35. Amcor Limited Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

$ million	Amcor Limited 2014	2013 Restated [1]
Total current assets	**6,620.2**	10,193.4
Total assets	**11,286.9**	16,457.8
Total current liabilities	**6,742.7**	10,305.6
Total liabilities	**8,796.6**	12,477.4
Net assets	**2,490.3**	3,980.4
Equity		
Contributed equity	**2,900.6**	3,831.9
Reserves:		
Share-based payments reserve	**69.9**	80.4
Demerger reserve of Australasia and Packaging Distribution business	**(564.5)**	-
Cash flow hedge reserve	**(0.5)**	(1.4)
Retained profits	**84.8**	69.5
Total equity	**2,490.3**	3,980.4
Profit/(loss) before related income tax expense	**632.8**	(483.9)
Income tax benefit/(expense)	**(126.8)**	114.4
(Loss)/profit after tax	**506.0**	(369.5)
Total comprehensive (loss)/income	**499.2**	(359.9)

[1] The prior period comparative has been restated as a result of a change in the accounting standard for defined benefit obligations. Refer to note 1(b) and 1(z).

(b) Financial guarantees

Terms and face values of the liabilities guaranteed were as follows:

$ million	Year of maturity	30 June 2014 Face value	30 June 2013 Face value
Bank term loans of controlled entities	**2016**	**5.4**	14.3

The Company has guaranteed the bank overdrafts, finance leases and drawn components of bank loans of a number of subsidiaries. Under the terms of the financial guarantee contracts, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due. As at 30 June 2014, the carrying value recognised in respect of these financial guarantees is nil (2013: nil).

The Company has also entered into a Deed of Cross Guarantee with certain subsidiaries. Under the terms of the deed, the Company has guaranteed the repayment of all relevant current and future creditors in the event any of the entities party to the deed are wound up. Details of the deed and the consolidated financial position of the Company and the subsidiaries party to the deed are set out in note 34. The method used in determining the fair value of these guarantees has been disclosed in the consolidated entity's accounting policy financial guarantee contracts, refer note 1(q).

Notes to the financial statements
30 June 2014

Note 35. Amcor Limited Information (continued)

(c) Contingent liabilities of Amcor Limited

Details of contingent liabilities, where the probability of future payments/receipts is not considered remote, are set out below:

$ million	2014	2013
Contingent liabilities arising in respect of guarantees[1]	**151.1**	45.3
Total contingent liabilities	**151.1**	45.3

[1]Comprises guarantees given by Amcor Limited in respect of property leases and other financial obligations in wholly-owned subsidiaries including letter of credit to support the ongoing defence of tax cases in Brazil.

Details of other contingent liabilities for Amcor Limited are set out in note 31. The Directors are of the opinion that provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.