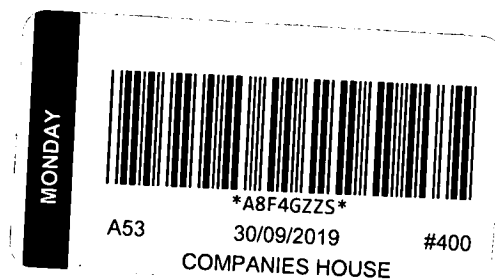


Fiberweb Geosynthetics Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Lambert Chapman LLP
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB



Fiberweb Geosynthetics Limited

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Fiberweb Geosynthetics Limited

Company Information

| | |
|--------------------------|---|
| Directors | M A Siebert A J M Van Der Steenhoven |
| Company secretary | Intertrust (UK) Limited |
| Registered office | Intertrust (UK) Limited 35 Great St Helen's London EC3A 6AP |
| Bankers | Lloyds Bank plc 25 Gresham Street London EC2V 7HN |
| Auditors | Lambert Chapman LLP 3 Warners Mill Silks Way Braintree Essex CM7 3GB |

Fiberweb Geosynthetics Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company is the manufacture and sale of non-woven geotextiles and extruded plastic net and printed film.

Fair review of the business

The directors are pleased to report on an excellent year's performance following the restructuring of the company.

Turnover was £25,824(000) (2017 - £22,558(000)) during the year and the profit before tax was £161(000) (2017 - £7,660(000)).

The performance in the year has strengthened the balance sheet, increasing total equity to £8,644(000) (2017 - £8,483(000)). The profit in the year occurred as a result of increased UK turnover and improvements in Gross Profit % 20.5% from 18.9% (2017 strong profit was due to an exceptional item in the year, being intercompany loans written off following a group reorganisation). With cost restructuring and focusing on profitable new lines it's expected that the company's performance will continue to improve going forward.

The trading profit achieved in the year was due to a combination of factors affecting overall operational performance. These include start up R&D investment using new production technology methods and staff to develop new products. R&D Tax Credits have been claimed to cover costs of this investment.

The Company has carried out some significant cost restructuring and is also focusing on improving production efficiency which will support Sales & Marketing initiatives to regain market share.

The directors believe that the restructuring that has already taken place combined with a Berry Global Inc. supported strategy to regain market share in core product areas should see the performance of the Company improve.

The key financial and other performance indicators for the year ended 31 December 2018 are summarised below:

| | 2018 | 2017 | Change |
|--------------|--------|--------|--------|
| | £'000 | £'000 | % |
| Turnover | 25,824 | 22,558 | 14.51% |
| Gross Profit | 5,298 | 4,259 | 24.56% |
| Tonnes Sold | 8,213 | 6,910 | 18.86% |

Turnover in 2018 was higher than 2017. This was due primarily due to improvements in product efficiency resulting in higher volumes of products being sold. Gross profit has improved compared to the previous financial year for core products with new products breaking into new markets with agreed price increases during 2019.

Future developments

The directors aim to maintain the management policies to increase market share in core and new product areas.

Continued investment in R&D to identify opportunities to develop new and existing products in niche markets areas, has proved successful by gaining market share in new lucrative markets.

Investment has increased in capital expenditure to achieve management strategy on cost savings with a focus on new machinery and energy saving initiatives.

Post balance sheet events

The directors do not consider that any post balance sheet events have occurred that would materially affect these financial statements.

The directors are confident of growth of the company following the strong performance in the 2019 period to date and are optimistic for the company's future.

Fiberweb Geosynthetics Limited

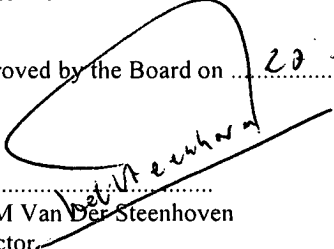
Strategic Report for the Year Ended 31 December 2018

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are shown below:

- **Price Risk:** The Company is exposed to commodity price risk, in relation to polymer price in particular. The Company manages this risk by purchasing raw materials from multiple suppliers where possible in order to maximize price competition.
- **Credit Risk:** The Company's principal financial assets are its bank balances and cash, and trade debtors. Provisions are made as required for any doubtful debts where there is an identified loss event which could give rise to a reduction in the recoverability of cash flows.
The Company has no significant concentration of credit risk, with exposure spread over a number of customers.
- **Cash Flow Risk:** A proportion of the Company's turnover is to companies in countries outside the UK and, as such, the Company is exposed to movements in exchange rates. The Company does not use foreign exchange forward contracts to hedge this but it does look at the net position of gains and losses to make a judgement as to whether the policy of not hedging remains valid.
Interest rate risk stemming from group loans is mitigated through regular review of cash flow forecasts and through loan repayments to limit the interest payable.
- **Liquidity Risk:** In order to maintain liquidity to ensure that there are sufficient funds available for ongoing operations and future developments. The Company also has access to funds through its parent company which Fiberweb Geosynthetics Ltd funds through shared service recharges at £963k (2017:£1.6m) per annum.
- **Going concern risk/ funding risk:** The majority of the capital employed by the company is funded by long term intercompany loans amounting to £7.4m (2017: £8.1m). These loans will only be repaid when the company has excess cash available.

Approved by the Board on 20-08-2019 and signed on its behalf by:


A J M Van Der Steenhoven
Director

Fiberweb Geosynthetics Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

M A Siebert

A J M Van Der Steenhoven

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Lambert Chapman LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 23-01-2019 and signed on its behalf by:

.....
A J M Van Der Steenhoven
Director

Fiberweb Geosynthetics Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

Opinion

We have audited the financial statements of Fiberweb Geosynthetics Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Graham McNeill - FCCA (Senior Statutory Auditor)
For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Date:..... 27/8/2019

Fiberweb Geosynthetics Limited

Profit and Loss Account for the Year Ended 31 December 2018

| | Note | 2018 £ 000 | 2017 £ 000 |
|---|------|-----------------|-----------------|
| Turnover | 3 | 25,824 | 22,558 |
| Cost of sales | | <u>(20,526)</u> | <u>(18,299)</u> |
| Gross profit | | 5,298 | 4,259 |
| Distribution costs | | (1,739) | (1,621) |
| Administrative expenses | | (3,397) | (4,589) |
| Exceptional administrative gains / (losses) | 5 | - | 9,233 |
| Other operating income | 4 | <u>220</u> | <u>599</u> |
| Operating profit | 6 | <u>382</u> | <u>7,881</u> |
| Interest payable and similar expenses | 7 | <u>(221)</u> | <u>(221)</u> |
| | | <u>(221)</u> | <u>(221)</u> |
| Profit before tax | | <u>161</u> | <u>7,660</u> |
| Profit for the financial year | | <u>161</u> | <u>7,660</u> |

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Fiberweb Geosynthetics Limited

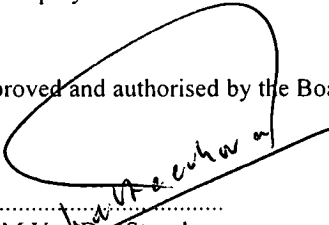
Statement of Comprehensive Income for the Year Ended 31 December 2018

| | 2018 £ 000 | 2017 £ 000 |
|---|-------------------|---------------------|
| Profit for the year | <u>161</u> | <u>7,660</u> |
| Total comprehensive income for the year | <u><u>161</u></u> | <u><u>7,660</u></u> |

Fiberweb Geosynthetics Limited
(Registration number: 01589762)
Balance Sheet as at 31 December 2018

| | Note | 2018 £ 000 | 2017 £ 000 |
|--|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,396 | 7,180 |
| Current assets | | | |
| Stocks | 13 | 3,341 | 4,616 |
| Debtors | 14 | 7,868 | 7,962 |
| Cash at bank and in hand | 15 | <u>2,592</u> | <u>871</u> |
| | | 13,801 | 13,449 |
| Creditors: Amounts falling due within one year | 16 | <u>(4,130)</u> | <u>(4,052)</u> |
| Net current assets | | <u>9,671</u> | <u>9,397</u> |
| Total assets less current liabilities | | 16,067 | 16,577 |
| Creditors: Amounts falling due after more than one year | 16 | <u>(7,423)</u> | <u>(8,094)</u> |
| Net assets | | <u>8,644</u> | <u>8,483</u> |
| Capital and reserves | | | |
| Called up share capital | 18 | 28 | 28 |
| Share premium reserve | | 30 | 30 |
| Capital redemption reserve | | 20,000 | 20,000 |
| Profit and loss account | | <u>(11,414)</u> | <u>(11,575)</u> |
| Total equity | | <u>8,644</u> | <u>8,483</u> |

Approved and authorised by the Board on 23-09-2019 and signed on its behalf by:



 A J M Van Der Steenhoven
 Director

Fiberweb Geosynthetics Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

| | Share capital £ 000 | Share premium £ 000 | Capital contribution £ 000 | Profit and loss account £ 000 | Total £ 000 |
|----------------------------|------------------------|---------------------------|----------------------------------|-------------------------------------|----------------|
| At 1 January 2018 | 28 | 30 | 20,000 | (11,575) | 8,483 |
| Profit for the year | - | - | - | 161 | 161 |
| Total comprehensive income | - | - | - | 161 | 161 |
| At 31 December 2018 | <u>28</u> | <u>30</u> | <u>20,000</u> | <u>(11,414)</u> | <u>8,644</u> |

| | Share capital £ 000 | Share premium £ 000 | Capital contribution £ 000 | Profit and loss account £ 000 | Total £ 000 |
|----------------------------|------------------------|---------------------------|----------------------------------|-------------------------------------|----------------|
| At 1 January 2017 | 28 | 30 | 20,000 | (19,235) | 823 |
| Profit for the year | - | - | - | 7,660 | 7,660 |
| Total comprehensive income | - | - | - | 7,660 | 7,660 |
| At 31 December 2017 | <u>28</u> | <u>30</u> | <u>20,000</u> | <u>(11,575)</u> | <u>8,483</u> |

Capital contribution

During the year ended 31 December 2015, a loan of £20,000(000) attributed to the parent group undertaking was formally written off. This has been shown as a capital contribution.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is: Intertrust (UK) Limited, 35 Great St Helen's, London, EC3A 6AP.

The principal place of business is: Blackwater Trading Estate, The Causeway, Maldon, Essex, CM9 4GG.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention and presented in Sterling (£), which is the company's functional currency and rounded to the nearest £'000.

Reporting period

These financial statements present the results of the Company for the year ended 31 December 2018. The comparative period is for the year ended 31 December 2017.

Exemption from preparing group accounts

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- The requirements of section 7 Statement of Cash Flows and section 3 Financial statement presentation: paragraph 3.17(d)
- The requirements of Basic Financial Instruments paragraphs 11.41b, 11.41, 11.41e, 11.41f, 11.42, 11.48aiii, 11.48aiv and 11.48b.
- Requirements of section 33 Related Party Disclosures paragraph 33.7.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The management's judgements have not been viewed to have had a material effect on the financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of non-woven geotextiles and extruded plastic net and printed film products in the ordinary course of the Company's activities. Turnover is shown net of value added tax.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

Foreign currency transactions and balances

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currencies are converted into sterling at the rate ruling on the date of the transaction. All differences on exchange are taken to the profit and loss account.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|-----------------------------|----------------------------------|
| Leasehold land and property | Over the period of the lease |
| Plant and machinery | 10% and 25% Straight line method |

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

Finished goods and raw material stocks as well as work in progress are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. A provision is made for obsolete, slow-moving or defective items where appropriate.

Cost represents the expenditure incurred in bringing each product to its present location and condition as follows:

Non-woven geotextiles and extruded plastic net and printed film - Purchase cost that has been mechanically and thermally bonded.

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

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at their fair value at inception of the lease. These assets are depreciated on a straight-line basis over the useful life of the asset. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

| | 2018 | 2017 |
|---------------|---------------|---------------|
| | £ 000 | £ 000 |
| Sale of goods | <u>25,824</u> | <u>22,558</u> |

The analysis of the company's turnover for the year by market is as follows:

| | 2018 | 2017 |
|---------------|---------------|---------------|
| | £ 000 | £ 000 |
| UK | 16,254 | 14,417 |
| Europe | 6,480 | 6,641 |
| Rest of world | <u>3,090</u> | <u>1,500</u> |
| | <u>25,824</u> | <u>22,558</u> |

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

| | 2018 | 2017 |
|------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Scrap sales | 45 | 72 |
| R & D tax credit | <u>175</u> | <u>527</u> |
| | <u>220</u> | <u>599</u> |

5 Exceptional item

During the prior year intercompany loans totalling £9,233(000) owed to Terram Limited and Fiberweb Holdings Limited were written off following a group reorganisation.

6 Operating profit

Arrived at after charging/(crediting)

| | 2018 | 2017 |
|----------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Depreciation expense | <u>1,419</u> | <u>1,421</u> |

7 Interest payable and similar expenses

| | 2018 | 2017 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Interest on bank overdrafts and borrowings | <u>221</u> | <u>221</u> |

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2018 £ 000 | 2017 £ 000 |
|--|---------------|---------------|
| Wages and salaries | 4,027 | 3,692 |
| Social security costs | 434 | 441 |
| Pension costs, defined contribution scheme | 35 | 27 |
| | <u>4,496</u> | <u>4,160</u> |

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

| | 2018 No. | 2017 No. |
|----------------------------|-------------|-------------|
| Production | 92 | 92 |
| Administration and support | 33 | 36 |
| | <u>125</u> | <u>128</u> |

9 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2018 £ 000 | 2017 £ 000 |
|---|---------------|---------------|
| Remuneration | - | 127 |
| Company pension contributions to defined contribution schemes | - | 17 |
| | <u>-</u> | <u>144</u> |

10 Auditors' remuneration

| | 2018 £ 000 | 2017 £ 000 |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>23</u> | <u>22</u> |

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

11 Taxation

Tax charged/(credited) in the income statement

| | 2018 £ 000 | 2017 £ 000 |
|--------------------------|---------------|---------------|
| Total current income tax | <u>-</u> | <u>-</u> |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

| | 2018 £ 000 | 2017 £ 000 |
|---|---------------|----------------|
| Profit before tax | <u>161</u> | <u>7,660</u> |
| Corporation tax at standard rate | 31 | 1,475 |
| Effect of expense not deductible in determining taxable profit | (33) | (53) |
| Taxable losses (brought forward)/carried forward | (221) | 188 |
| Tax increase from effect of capital allowances and depreciation | 223 | 167 |
| Effect of Exceptional items not taxable in determining taxable profit | <u>-</u> | <u>(1,777)</u> |
| Total tax charge/(credit) | <u>-</u> | <u>-</u> |

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Tangible assets

| | Leasehold Land and buildings £ 000 | Plant and machinery £ 000 | Total £ 000 |
|--------------------------|---|---------------------------------|----------------|
| Cost or valuation | | | |
| At 1 January 2018 | 590 | 15,225 | 15,815 |
| Additions | 168 | 468 | 636 |
| Disposals | - | (240) | (240) |
| At 31 December 2018 | <u>758</u> | <u>15,453</u> | <u>16,211</u> |
| Depreciation | | | |
| At 1 January 2018 | 166 | 8,469 | 8,635 |
| Charge for the year | 36 | 1,383 | 1,419 |
| Eliminated on disposal | - | (239) | (239) |
| At 31 December 2018 | <u>202</u> | <u>9,613</u> | <u>9,815</u> |
| Carrying amount | | | |
| At 31 December 2018 | <u>556</u> | <u>5,840</u> | <u>6,396</u> |
| At 31 December 2017 | <u>424</u> | <u>6,756</u> | <u>7,180</u> |

13 Stocks

| | 2018 £ 000 | 2017 £ 000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 875 | 1,010 |
| Work in progress | 49 | 99 |
| Finished goods | <u>2,417</u> | <u>3,507</u> |
| | <u>3,341</u> | <u>4,616</u> |

14 Debtors

| | 2018 £ 000 | 2017 £ 000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 3,961 | 3,297 |
| Amounts owed by group undertakings | 3,108 | 3,335 |
| Other debtors | 4 | 8 |
| Prepayments and accrued income | <u>795</u> | <u>1,322</u> |
| | <u>7,868</u> | <u>7,962</u> |

The amounts owed by group undertakings are subject to no interest.

Debtors include Group balances, whilst these amounts are due on demand it is unlikely they will be received in full during the coming year.

15 Cash and cash equivalents

| | 2018 £ 000 | 2017 £ 000 |
|--------------|---------------|---------------|
| Cash at bank | <u>2,592</u> | <u>871</u> |

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Creditors

| | 2018 £ 000 | 2017 £ 000 |
|------------------------------------|---------------|---------------|
| Due within one year | | |
| Trade creditors | 1,898 | 1,682 |
| Amounts due to group undertakings | 738 | 892 |
| Social security and other taxes | 192 | 329 |
| Accrued expenses | <u>1,302</u> | <u>1,149</u> |
| | <u>4,130</u> | <u>4,052</u> |
| Due after one year | | |
| Amounts owed to group undertakings | <u>7,423</u> | <u>8,094</u> |

The amounts owed to group undertakings incur interest at 0-5.37% (2017: 0-5.37%).

Creditors include Group balances, whilst these amounts are due on demand it is unlikely they will be repaid in full during the coming year.

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £34,809 (2017 - £27,315).

18 Share capital

Allotted, called up and fully paid shares

| | 2018 | | 2017 | |
|----------------------------|-----------|-----------|-----------|-----------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary shares of £1 each | <u>28</u> | <u>28</u> | <u>28</u> | <u>28</u> |

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

| | 2018 £ 000 | 2017 £ 000 |
|---|---------------|---------------|
| Not later than one year | 1,254 | 1,235 |
| Later than one year and not later than five years | 4,287 | 5,300 |
| Later than five years | <u>5,917</u> | <u>5,924</u> |
| | <u>11,458</u> | <u>12,459</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,252 (2017 - £1,235).

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

20 Parent and ultimate parent undertaking

The company's immediate parent is Fiberweb Holdings Limited, incorporated in Great Britain and registered in England and Wales.

The ultimate parent is Berry Plastics Group, Inc., incorporated in USA.

The parent of the largest group in which these financial statements are consolidated is Berry Plastics Group, Inc., incorporated in USA.

The address of Berry Plastics Group, Inc. is:
101 Oakley Street, Evansville, Indiana, 47710, USA

These group financial statements are available to the public from the Berry Plastics Group, Inc.

The parent of the smallest group in which these financial statements are consolidated is Berry Plastics Group, Inc., incorporated in USA.

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