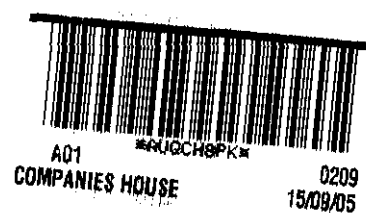


**Freudenberg Limited**

**Directors' report and financial  
statements**

**Registered number 2156379**

**31 December 2004**



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## **Officers and professional advisers**

### **Directors**

EJ Stevens (resigned 29 July 2005)  
GM Brasch (resigned 29 July 2005)  
DR Palin (appointed 29 July 2005)  
CM Marx (appointed 29 July 2005)

### **Secretary**

EJ Stevens (resigned 29 July 2005)  
DR Palin (appointed 29 July 2005)

### **Registered Office**

Ellistones Lane  
Greetland  
Halifax  
HX4 8NJ

### **Auditors**

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities

The company is the general partner of, and has 0.01% interest in, Freudenberg Nonwovens Limited Partnership. The only income of the company is its share of the profits from Freudenberg Nonwovens Limited Partnership.

### Business review

The results for the year are set out on page 5 of the financial statements.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The profit for the year retained by the company is £100.

### Directors and directors' interests

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

EJ Stevens (resigned 29 July 2005)  
GM Brasch (resigned 29 July 2005)  
DR Palin (appointed 29 July 2005)  
CB Marx (appointed 29 July 2005)

Neither of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company, or any other group company were granted to any of the directors or their immediate families or exercised by them, during the financial year.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**D Palin**  
Secretary

Ellistones Lane  
Greetland  
Halifax  
HX4 8NJ

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Report of the independent auditors to the members of Freudenberg Limited**

We have audited the financial statements on pages 5 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

30 AUGUST 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> £	2003 £
Bank charges		(30)	-
Income from fixed asset investment	3	130	286
<b>Retained profit for the financial year</b>		<u>100</u>	<u>286</u>
<b>Retained profit brought forward</b>		2,130	1,844
<b>Retained profit carried forward</b>		<u><u>2,230</u></u>	<u><u>2,130</u></u>

All operations are continuing.

The company has no recognised gains or losses in either the current or preceding year other than those reported above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet**  
*at 31 December 2004*

	<i>Notes</i>	<b>2004</b> £	2003 £
<b>Fixed assets</b>			
Investments	4	2,076	1,946
<b>Current assets</b>			
Cash at bank and in hand		3,265	3,295
<b>Net assets</b>		<u>5,341</u>	<u>5,241</u>
<b>Capital and reserves</b>			
Called up share capital	5	3,111	3,111
Profit and loss account		2,230	2,130
<b>Equity shareholders' funds</b>		<u>5,341</u>	<u>5,241</u>

These financial statements were approved by the board of directors on 29/07/05  
its behalf by:

and were signed on



**D Palin**  
*Director*



**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2004*

	2004 £	2003 £
Profit for the financial year	100	286
Net addition to shareholders' funds	<u>100</u>	<u>286</u>
Opening shareholders' funds	5,241	4,955
Closing shareholders' funds	<u>5,341</u>	<u>5,241</u>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Share of partnership profit*

The company incorporates its share of partnership profits into its accounts. They are shown in the financial statements as part of the company's investment in the partnership to the extent that a distribution has not been received.

#### *Related party transactions*

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosure" and has therefore not disclosed transactions or balances with entities which form part of the group.

### 2 Information regarding directors and employees

The directors, who received no remuneration, during the current and preceding year were the only employees of the company (2003: same).

### 3 Income from fixed asset investments

	2004 £	2003 £
Share of partnership profit	130	286

### 4 Fixed asset investments

	2004 £	2003 £
<b>Partnership capital</b>		
At beginning and end of year	780	780
<b>Share of partnership results</b>		
At beginning of year	1,166	880
Profit for the year	130	286
At end of year	1,296	1,166
<b>Net book value</b>		
At 31 December	2,076	1,946

The company is the general partner and has a 0.01% share in Freudenberg Nonwovens LP, a limited partnership, whose ultimate beneficial owner is Freudenberg & Co (see note 6).

**Notes** *(continued)*

**5 Called up share capital**

	2004 £	2003 £
<i>Authorised</i> 5,000 ordinary shares of £1 each	5,000	5,000
<i>Allotted, called up and fully paid</i> 3,111 ordinary shares of £1 each	<u>3,111</u>	<u>3,111</u>

**6 Ultimate beneficial owner**

The ultimate beneficial owner of the company is Freudenberg & Co, a German partnership.

The accounts of the ultimate beneficial owner, Freudenberg & Co. and English translation can be acquired from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.