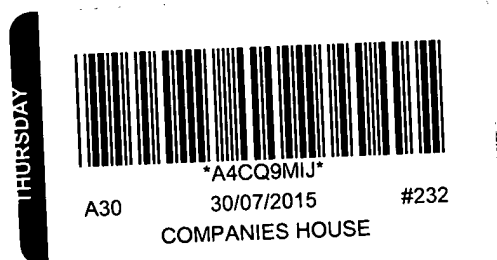


Windward Prospects Limited

Unaudited abbreviated financial statements

for the year ended 31 October 2014

Registered Number 02454830



Unaudited abbreviated balance sheet

as at 31 October 2014

Note		31.10.2014 US\$ m	31.10.2013 US\$ m
	Fixed assets		
2	Tangible assets	0.2	-
3	Investments	26.2	16.9
		26.4	16.9
	Current assets		
4	Current asset investments	7.8	29.8
	Debtors	8.9	8.3
	Cash at bank and in hand	2.8	16.5
		19.5	54.6
	Creditors: amounts falling due within one year	(2.7)	(1.2)
	Net current assets	16.8	53.4
	Total assets less current liabilities	43.2	70.3
	Creditors: amounts falling due after one year	(0.2)	-
5	Provisions for liabilities	(6.5)	(6.5)
	Net assets	36.5	63.8
	Capital and reserves		
6	Called up share capital	1.4	1.4
	Profit and loss account	35.1	62.4
	Total shareholders' funds	36.5	63.8

For the year ended 31 October 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to have an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The abbreviated accounts on pages 1 to 8 were approved and authorised for issue by the board of directors on 24 July 2015 and were signed on its behalf by:


C Gower
Director

Windward Prospects Limited

Notes to the unaudited abbreviated accounts

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and accounting standards applicable in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Going concern basis of accounting

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised) to not publish a cash flow statement on the grounds that the Company is small.

Functional currency

The directors consider the functional currency to be US Dollars. As a result the financial statements for the year ended 31 October 2014 have been prepared in US Dollars. The rate of exchange with pounds sterling at 31 October 2014 was £1 to \$1.5997 (2013: £1 to \$1.6057).

Consolidation

No consolidated accounts are prepared as the Company has taken advantage of the exemption from preparing consolidated financial statements under section 398 of the Companies Act 2006 as the group which it heads qualifies as a small group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles	33.3% straight line
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Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the related forward contract rate. All monetary assets and liabilities expressed in foreign currencies, not covered by forward contracts, are retranslated into US Dollars at rates of exchange ruling at the end of the financial year. Differences between the translated trading transactions and subsequent cash settlements, or retranslated related balances, are taken to the profit and loss account.

Pensions and other post retirement benefits

Historically, the Company participated in a defined benefit pension scheme for a small number of former employees of the Arjo Wiggins group. The net deficit or surplus is based on the present value of the defined benefit obligation at the balance sheet date. Due to a capped indemnity received from Sequana in respect of the scheme, the Company is no longer a participating company in accordance with paragraph 9a of FRS 17. As a result the Company only discloses the net relevant surplus or deficit and a corresponding asset up to the indemnified amount.

Provisions

Provisions are created where the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that the obligation can be measured reliably. The amounts provided are based on the Company's best estimate of the net present value of the expenditure required to settle the obligation.

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

1. Principal accounting policies (cont'd)

Investments

Investments in subsidiary undertakings, associated undertakings and other investments held for the long term are stated at cost, less any provision for impairment.

Fixed assets are reviewed for impairment if events or changes in circumstance indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses in the profit and loss account.

Short term investments are classified as current assets, and carried at the lower of cost and net realisable value.

Associated undertakings

Undertakings in which the group has a participating interest and over which it exerts significant influence (over 20%) are defined as associated undertakings.

Taxation

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at average tax rates that are expected to apply in periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

2. Tangible fixed assets

	Total US\$ m
Cost	
At 1 November 2013	-
Additions in the year	0.2
Disposals in the year	-
At 31 October 2014	<u>0.2</u>
Depreciation	
At 1 November 2013	-
Depreciation charge for the year	-
Disposals in the year	-
At 31 October 2014	<u>-</u>
Net book values	
At 31 October 2014	<u>0.2</u>
At 31 October 2013	<u>-</u>

Assets held under hire purchase agreements

Included in the net book value above is the amount of \$174,430 which relates to assets held under hire purchase agreements. There was no depreciation charged on these assets during the year as the assets were purchased at the year end.

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

3. Fixed asset investments

	Fixed Asset Investments US\$ m
Cost	
At 1 November 2013	289.3
Additions in the year	11.6
Disposals in the year	(6.6)
At 31 October 2014	294.3
Provision for impairment	
At 1 November 2013	(272.4)
Impairment during the year	(1.6)
Disposals in the year	5.9
At 31 October 2014	(268.1)
Net book values	
At 31 October 2014	26.2
At 31 October 2013	16.9

The Company holds more than 20% of the equity of the following undertakings:

Name of undertaking and nature of business	Country of incorporation (or registration and operation)	Description of shares held	Proportion of nominal value of issued shares held	Aggregate capital and reserves (deficit)	Profit and (loss) for the year
				US\$ m	US\$ m
<i>Subsidiary undertakings</i>					
Arjo Wiggins (Bermuda) Holdings Limited * (intermediate holding company)	Bermuda	Class A Common shares	100%	13.0m	(11.0m)
Arjo Wiggins Appleton (Bermuda) Limited (AWAB) (direct indemnity of holding company)	Bermuda	Class A Common shares	80%	(30.8m)	(12.2m)
		Class B Preference Shares	100%		
<i>Associated undertakings</i>					
Aftermath Collections Limited* (retail finance)	UK	Class E Ordinary Shares	45%	0.7m	0.1m

*Companies held directly.

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

3. Fixed asset investments (cont'd)

Lower Fox River Remediation LLC (the "LLC") was initially considered an indirect subsidiary by virtue of the 15% owned by the Company's indirect subsidiary, Arjo Wiggins Appleton (Bermuda) Limited ("AWAB") and through various agreements which granted the Company control over Appleton Papers Inc.'s 45% holding in the LLC.

Whilst AWAB is treated as an indirectly-held subsidiary of the Company due to the shares held by the group, as set forth in that company's by-laws, no decision may be taken by the board of AWAB without API's consent. API, therefore, has a blocking vote and the company is effectively deadlocked in the absence of agreement between API and the group.

In April 2012 AWAB and API withdrew from Lower Fox River Remediation LLC. There is no profit or loss associated with this. AWAB continues to hold a 44.4% interest in the dewatering facility which was constructed in Green Bay, Wisconsin, as reflected in that company's accounts. For the period ending 31 October 2014, those holdings were valued at \$8.1m (2013: \$10.2m) after accumulated depreciation.

4. Current asset investments

	2014	2013
	US\$ m	US\$ m
Listed investments	7.8	29.8
Market value of listed investments	8.4	32.7

If the investments were sold at the values disclosed, then in the absence of any reliefs, the tax payable on the net gain would be \$nil (2013: \$nil).

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

5. Provisions for liabilities

	Unfunded pensions US\$ m	Total US\$ m
At 1 November 2013	6.5	6.5
Movement for the year	-	-
At 31 October 2014	6.5	6.5

Post-retirement benefits - Unfunded pension provision held by the Company

On 18 May 2009, on the sale of the Company by Sequana, the Company obtained the benefit of an indemnity from Sequana capped at £6 million to cover any future pension costs the Company may incur arising from an unfunded pension scheme covering certain former employees. The deficit, which is below the capped indemnity, means that the Company ceases to be a participating company in accordance with FRS17 and therefore no disclosure of actuarial assumptions made on the underlying scheme is required. Any charge to the profit and loss account in the year is offset by a corresponding increase in the value of the indemnity from Sequana up to the capped limit. Sequana has a contractual obligation to the Company's current parent company to novate the pension liability to one of its subsidiaries. To date, although Sequana has not transferred the liability, no claim has been made on the Company and the Company believes that Sequana has met any payments due to beneficiaries of the scheme. Whilst the Company has not incurred any costs to date with respect to the pensions covered by this provision, the Board continues to press Sequana to finally resolve this pension liability.

Windward Prospects Limited

Notes to the unaudited abbreviated accounts (cont'd)

6. Called up share capital

	2014	2013
	US\$ m	US\$ m
Authorised share capital		
999,721 ordinary shares of €1 each /US\$ 1.3917 each	1.4	1.4
1 redeemable preferred share of €1	-	-
	<u>1.4</u>	<u>1.4</u>

Allotted, called up and fully paid

	US\$m
As at 31 October 2013 and 31 October 2014: 999,721 ordinary shares of €1 each	1.4
1 redeemable preferred share of €1	-
	<u>1.4</u>

On 18 May 2009, the Company issued a single redeemable preferred share to Sequana (the Company's former parent) which entitles Sequana to receive 80% of the profits of the Company available for distribution (as defined in the articles of association) until Sequana has received a total of \$70 million and thereafter to receive 50% of profits available for distribution (as so defined).

On a winding up, the holder of the redeemable preferred share shall be entitled, in priority to the ordinary shareholders, to receive an amount equal to the percentage rate applied to the profit of the Company available for distribution applicable at that time. The holder of the redeemable preferred share is entitled to attend the Company's AGM but is not entitled to vote.

7. Transactions with directors

During the year the Company's subsidiary Arjo Wiggins (Bermuda) Holdings Limited paid consultancy fees totalling \$1,225,000 (2013: \$952,000) to G T Barron, C P Gower and Brian M Tauscher PLLC. B M Tauscher, a director of the company, is the sole member of Brian M Tauscher PLLC.

During the prior year G T Barron, a director of the company, took on the obligation to repay an existing debt owed to the company by TMW Investments (Luxembourg) S.à.r.l totalling \$1.5m, in consideration for the sale of shares in the company held by TMW Investments (Luxembourg) S.à.r.l. The balance outstanding at 31 October 2014 was \$1.5m.

8. Immediate and ultimate parent company

The immediate and ultimate parent company of the Company is TMW Investments (Luxembourg) S.à.r.l. a company registered in Luxembourg. Copies of the accounts of this company can be obtained from the Registre de Commerce et des Sociétés at www.rcsl.lu.

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF WINDWARD PROSPECTS LIMITED ON THE UNAUDITED ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

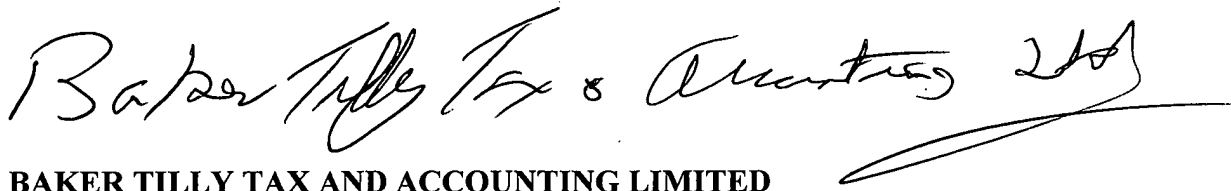
In order to assist you to fulfil your duties under the Companies Act 2006 ("the Acts") and regulations thereunder, we prepared for your approval the abbreviated financial statements of Windward Prospects Limited which comprise the Balance Sheet, and the related notes as set out on pages 1 to 8 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Windward Prospects Limited, as a body, in accordance with the terms of our engagement letter dated 17 June 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Windward Prospects Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at icaew.com/compilation. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Windward Prospects Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit/loss of Windward Prospects Limited under the Companies Act 2006 ("the Acts") and regulations thereunder. You consider that Windward Prospects Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Windward Prospects Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements or abbreviated financial statements.



BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants

Portland

25 High Street

Crawley

West Sussex

RH10 1BG

Date:  20 July 2015