

Intertissue Limited

Annual Report and Financial Statements

31 December 2020

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Intertissue Limited

Registered No. 04537324

Annual report and financial statements for the year ended 31 December 2020

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Intertissue Limited

Registered No. 04537324

Directors and advisors

Directors

L Lazzareschi
E Stefani

Company secretary

N Morgan

Registered office

Brunel Way
Baglan Energy Park
Briton Ferry
Neath
SA11 2FP

Bankers

RBS
East Midlands Corporate Office
6th Floor Cumberland Place
Nottingham
NG1 7ZS

Intertissue Limited

Registered No. 04537324

Directors' report

for the year ended 31 December 2020

Directors

The directors throughout the year and up to the date of signing the financial statements were:

L Lazzareschi

E Stefani

The Company maintains qualifying third-party indemnity insurance for all directors. These insurances were in force throughout 2020 and continue in 2021.

Results

The Company has been dormant throughout the year.

In 2019, as part of a Sofidel Group corporate strategy to harmonise company structures and identities, the Directors made the decision to transfer the business and all assets and liabilities of Intertissue Limited to another group company, Sofidel UK Limited.

The transfer took the form of a sale through an asset purchase agreement and was completed on 1 July 2019. The activities previously undertaken by Intertissue Limited were continued by Sofidel UK Limited and were commercially unchanged.

Intertissue Limited ceased trading immediately following the sale and has remained dormant thereafter.

Dividends

No dividends were paid during the year. (2019: £86,250,000).

Going concern

The financial statements have not been prepared on a going concern basis. Instead, they have been prepared on a break-up basis following the transfer of the Company's business referred to above. Sofidel UK Limited will ensure all liabilities are met as they fall due.

Future developments

The company will remain dormant and will eventually be voluntarily liquidated.

Intertissue Limited

Registered No. 04537324

Directors' report

for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 then apply them consistently;
- make judgements and 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.

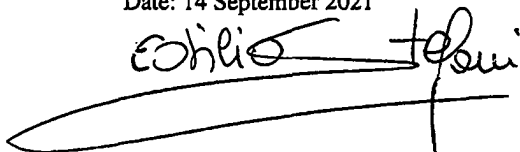
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and accordingly a strategic report has not been presented.

By order of the board

Edilio Stefani

Director

Date: 14 September 2021

A handwritten signature in dark ink, appearing to read 'Edilio Stefani', is written over a horizontal line. The signature is stylized and cursive.

Income statement

for the year ended 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>
Turnover	4	-	59,071
Cost of sales		-	(46,365)
Gross profit		-	12,706
Distribution costs		-	(2,651)
Administrative expenses		-	(3,679)
Other operating income	5	-	262
Operating profit	6	-	6,638
Profit on disposal of fixed assets		-	6
Interest receivable and similar income	9	-	2
Interest payable and similar charges	10	-	(434)
Profit on ordinary activities before taxation		-	6,212
Tax on profit on ordinary activities	11	-	(1,294)
Profit for the financial year		-	4,918

All amounts relate to continuing operations.

Statement of comprehensive income

for the year ended 31 December 2020

	<i>Notes</i>	<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>
Profit for the financial year		-	4,918
Fair value of forward contracts		-	(10)
Tax relating to components of other comprehensive income	11b	-	2
Total comprehensive income for the year		-	4,910

Intertissue Limited

Registered No. 04537324

Balance sheet

as at 31 December 2020

	Notes	2020 £000	2019 £000
Current assets			
Debtors	13	299	299
Net current assets		<u>299</u>	<u>299</u>
Net assets		<u>299</u>	<u>299</u>
Share capital and reserves			
Called up share capital	14	5	5
Cash flow hedge reserve	15	-	-
Retained earnings	15	<u>294</u>	<u>294</u>
Total equity		<u>299</u>	<u>299</u>

The Company is entitled to exemption from audit under Section 480 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

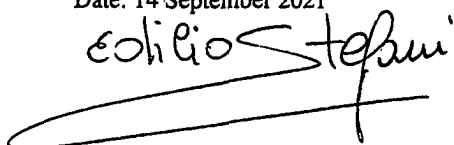
- Ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- Preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so as far as applicable to the company.

Approved by the Board

Edilio Stefani

Director

Date: 14 September 2021



Statement of changes in equity

for the year ended 31 December 2020

	Share capital £000	Cash flow hedge reserve £000	Retained earnings £000	Total equity £000
At 1 January 2019	29,100	8	52,531	81,639
Profit for the financial year	-	-	4,918	4,918
Other comprehensive income	-	(8)	-	(8)
Total comprehensive income for the year	-	(8)	4,918	4,910
Transfer following capital reduction (note 15)	(29,095)	-	29,095	-
Equity dividends paid (note 15)	-	-	(86,250)	(86,250)
At 31 December 2019	5	-	294	299
Profit for the financial year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2020	5	-	294	299

Notes to the financial statements

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Intertissue Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on 14 September 2021 and the balance sheet was signed on the board's behalf by Edilio Stefani. Intertissue Limited is incorporated and domiciled in The United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated. The financial statements are prepared under the historical cost convention.

The financial statements have not been prepared on a going concern basis. Instead, they have been prepared on a break-up basis following the transfer of the Company's business to another group company as at 1st July 2019, at which point the company ceased to trade. The group company acquiring the assets and liabilities will ensure all liabilities are met as they fall due.

The results of Intertissue Limited are included in the consolidated financial statements of Sofidel S.p.A which are available from Via Giuseppe Lazzareschi 23, 55016 Porcari, Lucca, Italy

The principal accounting policies adopted by the Company are set out in notes 1 and 2.

1. Accounting policies

Basis of preparation and changes to the company's accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for all years presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- d) the requirements of IAS 7 Statement of Cash Flows;
- e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ;
- h) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- i) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

Notes to the financial statements

Year ended 31 December 2020 (continued)

2. Significant accounting policies

Revenue recognition

Turnover comprises the value of goods and services supplied by the Company, net of value added tax and trade discounts. Customer rebates are charged to the profit and loss account as a reduction in turnover in the same period as related sales. Revenue is recognised on dispatch of goods.

Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Dividends: Revenue is recognised when the Company's right to receive dividend payment is established.

Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. Refer to accounting policy of financial assets.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Intertissue Limited

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Notes to the financial statements

Year ended 31 December 2020 (continued)

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover is attributable to the principal activity of the manufacture and sale of soft tissue products.

	2020 £000	2019 £000
Sale of goods	-	59,071

No revenue was derived from exchanges of goods or services (2019: nil).

Turnover is analysed by geographical market as follows:

	2020 £000	2019 £000
United Kingdom	-	52,862
Other European Union	-	6,205
Other	-	4
Total	-	59,071

4. Other operating income

	2020 £000	2019 £000
Miscellaneous income	-	262

5. Operating profit

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

	2020 £000	2019 £000
Auditors' remuneration - audit of these financial statements	-	10
Depreciation - owned fixed assets	-	2,689
Depreciation - right of use asset	-	75
Government grants	-	(234)
Restructuring provision	-	(1,473)
Operating lease rentals - land and building	-	104
Operating lease rentals - other	-	57
Net foreign currency exchange differences	-	(5)

Notes to the financial statements

Year ended 31 December 2020 (continued)

6. Directors' emoluments and benefits

The directors are employed and remunerated by the immediate and ultimate parent company, Sofidel S.p.A.

No management charge is made by the parent company to Intertissue Limited as the amount of time spent by those directors with regards to this company is not documented. It is therefore not practicable to apportion an amount to Intertissue Limited with respect to director's remuneration and so this is considered to be £nil (2019: £nil).

7. Staff costs

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	-	4,775
Social security costs	-	540
Other pension costs	-	472
	<u>-</u>	<u>5,787</u>

There were no employees at either year end.

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Production	-	238
Administration	-	83
	<u>-</u>	<u>321</u>

Notes to the financial statements

Year ended 31 December 2020 (continued)

8. Interest receivable and similar income

	2020 £000	2019 £000
Bank interest receivable	-	2
	<u>-</u>	<u>2</u>

9. Interest payable and similar charges

	2020 £000	2019 £000
On bank loans and overdrafts	-	9
Interest payable to group undertakings	-	419
Lease interest	-	5
Other interest payable	-	1
	<u>-</u>	<u>434</u>

10. Taxation

a) Tax charged to the income statement:

	2020 £000	2019 £000
Current income tax:		
UK corporation tax	-	1,048
Current income tax charge	-	1,048
Amounts over provided in previous years	-	-
Total current income tax charge	<u>-</u>	<u>1,048</u>
Deferred tax:		
Origination and reversal of temporary differences	-	251
Amounts (over) provided in previous years	-	(5)
Total deferred tax	<u>-</u>	<u>246</u>
Tax expense in the income statement	<u>-</u>	<u>1,294</u>

Notes to the financial statements

Year ended 31 December 2020 (continued)

11. Taxation (continued)

b) Tax relating to items charged or credited to other comprehensive income

	2020 £000	2019 £000
Current tax:		
Total current income tax	-	-
Deferred tax:		
Derivatives cash flow hedge reserve	-	2
Total deferred tax	-	2
Tax charge in the statement of other comprehensive income	-	2

c) Reconciliation of the total tax charge

The tax expense in the income statement for the 2019 is higher than the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

	2020 £000	2019 £000
Profit from continuing operations before taxation	-	6,212
Tax calculated at UK standard rate of 19% (2019: 19%)	-	1,180
Expenses not deductible for tax purposes	-	9
Depreciation on assets ineligible for capital allowances	-	110
Tax underprovided in previous years	-	(5)
Total tax expense reported in the income statement	-	1,294

d) Deferred tax

The deferred tax included in the income statement is as follows:

	2020 £000	2019 £000
Deferred tax in the income statement		
Accelerated capital allowances	-	(31)
Other temporary differences	-	277
Deferred tax charge	-	246

Notes to the financial statements

Year ended 31 December 2020 (continued)

12. Sale of business and assets

On 1 July 2019 the business and net assets of the company were acquired by a fellow subsidiary of Sofidel S.p.A.

The transaction can be summarised as follows:

Net assets disposed:

	£000
Intangible fixed assets	1,937
Tangible fixed assets	57,340
Right of use as	435
Stock	17,651
Debtors	9,208
Creditors	(17,024)
Provisions	(600)
Cash/debt	(62,898)
	<u>6,049</u>

Disposal proceeds:

Due from group company	<u>6,049</u>
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The assets and liabilities of the Company were sold at fair value which was equivalent to book value. No gain or loss was recognised on the sale. Sale proceeds of £6,049,000 were debited to the intercompany account due from the acquiring group company.

£5,750,000 of the balance on the intercompany account was subsequently transferred to the parent company Sofidel S.p.A as a dividend in specie (note 15).

13. Debtors

	2020	2019
	£000	£000
Due within one year:		
Amounts owed by group undertakings.	-	299
	<u>-</u>	<u>299</u>

Notes to the financial statements

Year ended 31 December 2020 (continued)

14. Authorised, issued and called up share capital

	2020	2019
	£000	£000
<i>Authorised</i>		
5,000 ordinary shares of £1 each	<u>5</u>	<u>5</u>
	2020	2019
	No. £000	No. £000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	5,000 <u>5</u>	5,000 <u>5</u>

15. Capital and reserves**a) Share capital**

Share capital represents the issued and fully paid-up equity share capital of the Company. During 2019 the company completed a capital reduction. The number of ordinary shares was reduced to 5,000 and the proceeds of the capital reduction of £29,095,000 was transferred to distributable reserves and paid by a dividend to the parent.

b) Cash flow hedge reserve

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

c) Retained earnings

Retained earnings represents the cumulative profit and loss attributable to the Company to the end of the year.

d) Dividends

Dividends totalling £86,250,000 were paid during 2019. This consisted of £51,405,000 paid in cash from reserves available for distribution on 1 January 2019; £29,095,000 paid in cash from reserves made available for distribution following a capital reduction exercise; and £5,750,000 dividend in specie paid by the transfer of a loan balance due from another group company to the parent company paid from distributable reserves remaining following the sale of the business to another group company.

16. Parent undertakings and controlling party

Sofidel S.p.A., a company registered in Italy, is the company's immediate and ultimate parent undertaking and controlling party. A copy of the financial statements of the parent entity is available from its registered office, Via Giuseppe Lazzareschi 23, 55016 Porcari, Lucca, Italy.