

Registered number. 06924741

## Fiberweb Brazil Limited

Report and financial statements  
for the year ended 31 December 2012



---

FIBERWEB BRAZIL LIMITED

**Officers and professional advisers**

**Directors**

D A Dayan

K Miles

**Secretary**

A O'Carroll

**Registered office**

Forsyth House

211-217 Lower Richmond Road

Richmond on Thames

London

TW9 4LN

**Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

## **Directors' report**

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2012

## **Principal activity**

The Company's principal activity is that of an investment holding and group financing company

## **Business review and future developments**

It is the intention of the Directors to liquidate this Company during 2013. As detailed further below, the financial statements have been prepared on a basis other than that of a going concern. Therefore it is not considered necessary to comment further on future periods.

## **Results and dividends**

The results for the year are shown in the profit and loss account on page 6. On 29 June 2012, a dividend of \$30 million was paid to its immediate parent company. A further dividend of \$871k was paid on 30 November 2012.

## **Small companies exemption**

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under S415 of the Companies Act.

## **Basis other than going concern**

The Company has ceased to exist for the purpose that was originally intended following the disposal of the Hygiene business and therefore it is the Directors' intention that this Company will be dissolved during 2013. As required by FRS 18 Accounting policies the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

## **Directors**

The directors who held office during the year were

D A Dayan

D Abrams (resigned 31 March 2012)

K Miles (appointed 1 April 2012)

## **Charitable and political donations**

There were no political or charitable contributions in the year (2011: \$nil)

**Directors' report (continued)**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

**Statement of directors' responsibilities**

The directors are responsible 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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.

Approved by the Board of Directors and signed on its behalf by



K Miles  
Director  
Date

13.5.13

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIBERWEB BRAZIL LIMITED**

We have audited the financial statements of Fiberweb Brazil Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- ♦ give a true and fair view of the state of the Company's affairs as at 31 December 2012 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.

### **Emphasis of matter - financial statements prepared other than on a going concern basis**

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the Financial Statements, which explains that the Financial Statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

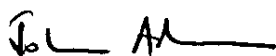
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIBERWEB BRAZIL LIMITED**  
**(continued)**

**Matters on which we are required to report by exception**

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, or
- the directors are not entitled to take advantage of the small companies exemptions in preparing the Directors report



John Adam (Senior Statutory Auditor)  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

13 May 2013

FIBERWEB BRAZIL LIMITED

**Profit and loss account**

Year ended 31 December 2012

	Notes	2012 \$'000	2011 \$'000
Loss on disposal of investment	7	-	(44)
Interest receivable and similar income	5	<u>865</u>	<u>6</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	2	865	(38)
Taxation on profit/(loss) on ordinary activities	6	<u>-</u>	<u>-</u>
<b>Retained profit/(loss) for the financial year</b>	10	<u><u>865</u></u>	<u><u>(38)</u></u>

All profits or losses are derived from discontinued operations

The Company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the results as disclosed in the profit and loss account and their historical cost equivalent

The accompanying notes form an integral part of this profit and loss account

# FIBERWEB BRAZIL LIMITED

## Balance sheet

At 31 December 2012

	Notes	2012 \$'000	2011 \$'000
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	-	30,006
<b>Net current assets and net assets</b>		<u>-</u>	<u>30,006</u>
<b>Capital and reserves</b>			
Called up Share Capital	9	-	-
Profit and loss account	10	-	30,006
<b>Shareholder's funds</b>		<u>-</u>	<u>30,006</u>

These financial statements of Fiberweb Brazil Limited, registered number 06924741, were approved by the Board of Directors and authorised for issue on 13.5.13 and were signed on its behalf by

K Miles  
Director



The accompanying notes form an integral part of this balance sheet

**Notes to the financial statements**  
Year ended 31 December 2012

**1 Accounting policies**

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year

*a) Basis of accounting*

The financial statements have been prepared under the break up basis and in accordance with applicable United Kingdom accounting standards. The financial statements are presented in US dollars as this is the most appropriate functional currency for the Company's operations.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary of Fiberweb plc, which prepares consolidated financial statements that are publicly available. The Company is also exempt from the requirement of FRS 1 to present a cash flow statement.

*b) Reporting period*

These financial statements present the results of the Company for the year from 1 January 2012 to 31 December 2012.

*c) Foreign currencies*

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

*d) Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the 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.

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the 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 an undiscounted basis.

*e) Related party transactions*

Under FRS 8, the Company is exempt from disclosing related party transactions with other group companies as 100% of the voting rights are controlled within the group and the ultimate parent company, Fiberweb plc, has prepared consolidated financial statements which include the results of the Company for the year ended 31 December 2012 and are available to the public.

*f) Investments*

The carrying value of investments in subsidiary undertakings are stated at cost less provision for impairment. The carrying value is the higher of cost and the investment's value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted. If the value in use of an investment is estimated to be less than its carrying amount, the carrying amount is reduced to its fair value. An impairment loss is recognised immediately.

*g) Basis other than going concern*

As disclosed in the Directors' report, it is the Directors' intention that this Company will be dissolved during 2013. The Company was originally set up as an investment holding company and following the Group's disposal of the Hygiene business in the previous year, this Company is no longer required by the Group for this purpose. As required by FRS 18 Accounting policies the directors have therefore prepared these financial statements on the basis that the company is no longer a going concern which includes, where appropriate, writing down the company assets to net realisable value. The financial statements do not include any costs incurred since the balance sheet date or any provision for the future costs of the business of the company except to the extent that such costs were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply going concern basis.

# FIBERWEB BRAZIL LIMITED

## Notes to the financial statements

Year ended 31 December 2012

### 2 Profit/(loss) on ordinary activities before taxation

Fees payable to the Company's auditor for the audit of the Company's annual accounts total \$10K for the year ended 31 December 2012 (2011 \$10K). These were borne on behalf of the Company by its parent company, Fiberweb plc. No fees were paid during the year (2011 \$Nil) to the Company's auditor in relation to non-audit services.

### 3 Employees and employee costs

There were no full-time employees during the period and the aggregate payroll costs were \$Nil (2011 \$Nil). No director received any remuneration in the current period for services to the Company (2011 None).

### 4 Dividends paid

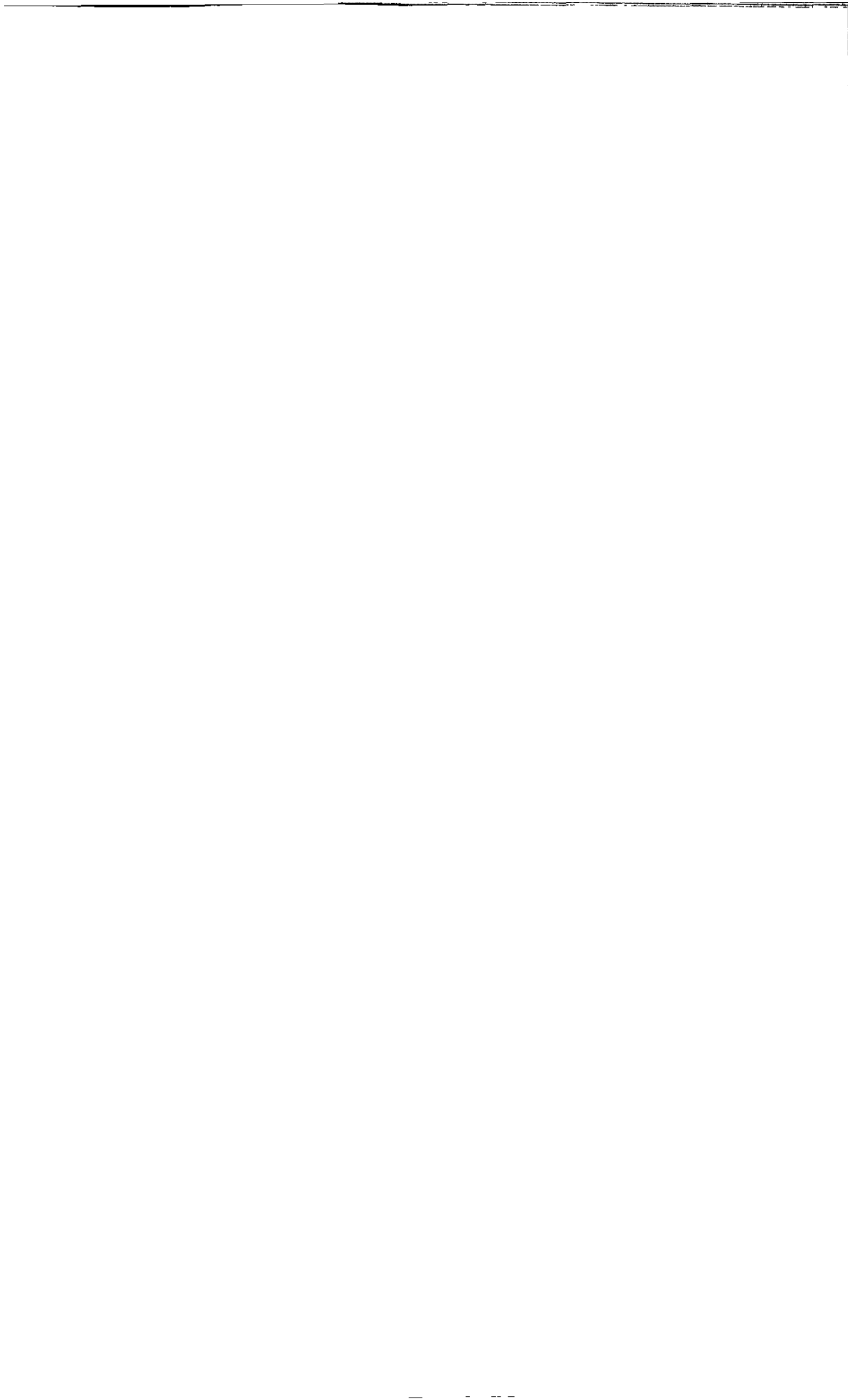
	2012 \$'000	2011 \$'000
Dividends paid in the year	30,871	-

### 5 Interest receivable

	2012 \$'000	2011 \$'000
<i>Interest receivable and similar income</i>		
Interest receivable from Group undertakings	865	6

### 6 Tax on profit/(loss) on ordinary activities

	2012 \$'000	2011 \$'000
Total current tax charge	-	-
<i>Factors affecting the current tax charge</i>		
Profit/(loss) on ordinary activities before taxation	865	(38)
Tax at the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	212	(10)
Utilised fully by group relief for nil consideration	(212)	10
Total current tax charge	-	-



**Notes to the financial statements**  
Year ended 31 December 2012

**7 Investments**

	2012 \$'000	2011 \$'000
<u>Cost and carrying value</u>		
At 1 January	-	30,044
Disposed in the year	-	(30,044)
At 31 December	-	-

In the previous year, the investment of 50% of the issued and outstanding ordinary shares of FitesaFiberweb NãoTecidos S A , was disposed of for \$30 million as part of the overall disposal of the Hygiene business by the Group  
This resulted in a loss on disposal of \$44,000

**8 Debtors**

	2012 \$'000	2011 \$'000
Amounts due from Group undertakings	-	30,006

Amounts due from Group undertakings include loan notes which are unsecured and incur floating interest at 5.38% (2011 6.79%) and were repayable on demand

**9 Called up share capital**

	2012 \$'000	2011 \$'000
Allotted, called up and fully paid		
1 ordinary share of \$0.01	-	-

**10 Reserves**

	2012 \$'000	2011 \$'000
At 1 January	30,006	30,044
Retained profit/(loss) for the year	865	(38)
Dividends paid	(30,871)	-
At 31 December	-	30,006

The directors paid a dividend of \$30 million on 29 June 2012 and a further dividend of \$871k on 30 November 2012

**11 Reconciliation of movement in shareholder's funds**

	2012 \$'000	2011 \$'000
Profit/(loss) for the year	865	(38)
Shareholder's funds at 1 January	30,006	30,044
Dividends paid	(30,871)	-
Shareholder's funds at 31 December	-	30,006

**12 Ultimate parent company**

The Company's immediate parent company and controlling party is Fiberweb Joint Venture 2 Limited, a company incorporated in Great Britain and registered in England and Wales

Fiberweb plc is the smallest and largest group which prepares group financial statements incorporating the financial statements of the Company. These group financial statements are available to the public from the Company Secretary of Fiberweb plc at Forsyth House, 211-217 Lower Richmond Road, Richmond on Thames, London TW9 4LN