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Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)
Annual report and financial statements
for the year ended 31 December 2017

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Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)
Annual report and financial statements
for the year ended 31 December 2017
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Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)

Directors and advisers

Directors

P A Bailey

K J Starr

A Richards

Company secretary and registered office

P A Bailey

Southfields Road

Dunstable

Bedfordshire

LU6 3EJ

Independent auditors

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

Solicitors

Reynolds Porter Chamberlain

Chichester House

278/282 High Holborn

London

WC17 7HA

Bankers

Natwest Bank Plc

City of London Office

PO Box 12258

1 Princes Street

London

EC2R 8PA

Essity Operations Limited **(Formerly SCA Hygiene Products Tissue Limited)**

Strategic report for the year ended 31 December 2017

Principal activities

The company is dormant but for an onerous lease.

Review of business

The results for the year are set out in the income statement on page 9 and the position of the company as at the year end is set out in the statement of financial position on page 10.

The results of the company show a profit on ordinary activities before taxation of £141,000 (2016: £193,000) for the year.

During the year, a release of £119,000 (2016: £130,000) was recognised in respect of operating exceptional items as explained in note 4. The exceptional items relate to the following:

- A provision has been established for the shortfall between a lease and a sublease agreement for the Horwich site. The credit to the income statement of £119,000 (2016: charge of £115,000) relates to the discounting of the provision at the internal hurdle rate of 8.93% (2016: internal WACC rate of 5.74%).
- A credit to the income statement relating to the release of the provision established for the mothballing costs of the Oughtibridge site of £nil (2016: £245,000).

Due to the change in ownership of the ultimate parent company, the company on 2 January 2018 changed its name from SCA Hygiene Products Tissue Limited to Essity Operations Limited.

Key performance indicators (“KPIs”)

Given the straight forward nature of the business, the company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The finance department has a policy and procedure manual set by the Essity AB Board that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit checks are carried out on major customers where information about the customers’ financial position is obtained from various credit rating companies. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed on a continual basis by the credit manager.

Liquidity risk

The company actively maintains short term debt finance that is designed to ensure that the company has sufficient available funds for operation. This is maintained in the short term by the Essity UK cash pooling facility.

Essity Operations Limited

(Formerly SCA Hygiene Products Tissue Limited)

Strategic report for the year ended 31 December 2017 (continued)

As a member of the Essity cash pool arrangement, the company's cash management is effectively controlled by Essity Treasury AB, a fellow group company. The Essity treasury function conducts an annual risk assessment exercise, taking into account credit rating information regarding the company, provided by an external credit rating agency. This information is used to provide a risk adjusted interest rate which is applied between the company and its parent in respect of any loans receivable or payable, on an arm's length basis.

Interest rate and cash flow risk

The company has policies and procedures that set out the specific guidelines that must be followed to manage the interest rate risk. The directors monitor these interest rate risks periodically. The exposure to interest rate risk is minimal as this is monitored by a central group treasury function, which is responsible for identifying and managing interest rate exposure.

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks.

The board has overall responsibility for the company's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to provide reasonable control over the activities of the company and to enable the board to comply with the directors' responsibilities.

This has been further considered within the financial risk management section.

Future developments

The Company will continue in its present capacity for the foreseeable future.

By order of the board



Paul Bailey
Company secretary
28 September 2018

Essity Operations Limited **(Formerly SCA Hygiene Products Tissue Limited)**

Directors' report for the year ended 31 December 2017

The directors present their annual report and the audited financial statements of Essity Operations Limited for the year ended 31 December 2017.

Results and dividends

The results of the company show a profit on ordinary activities before taxation of £141,000 (Profit 2016: £193,000).

Ordinary dividends of £nil (2016: £nil) were paid in the year. The directors do not propose the payment of a final dividend (2016: £nil).

Future developments

See the Strategic report on page 2 for information on future developments.

Directors

The directors of the company who held office during the year and up to the date of signing of the financial statements are given below:

P A Bailey	(company secretary)
S A Barker	(resigned 3 March 2017)
K J Starr	(appointed 3 March 2017)
A Richards	

Going concern

The company is profitable and has net assets and net current assets at the balance sheet date. As noted above this is expected to continue to be the case for the foreseeable future.

Independent auditors

In accordance with s485 of the Companies Act 2006, a resolution has been proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditors of the Company.

Provision of information to the auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)

Directors' report for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

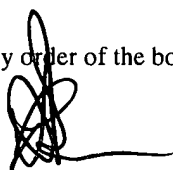
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 judgments 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.

By order of the board



Paul Bailey
Company secretary

28 September 2018

Essity Operations Limited

Independent auditor's report to the members of Essity Operations Limited

Opinion

We have audited the financial statements of Essity Operations Limited (Formerly SCA Hygiene Products Tissue Limited) for the year ended 31 December 2017 which comprise the Income Statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 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 below. 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.

Essity Operations Limited

Independent auditor's report to the members of Essity Operations Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 the 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 the 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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Essity Operations Limited

Independent auditor's report to the members of Essity Operations Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Chris Nobbs (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton
28 September 2018

Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)

Income statement for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Administrative expenses		(3)	-
Operating loss before exceptional items	2	(3)	-
Exceptional items	4	119	130
Profit on ordinary activities before interest		116	130
Interest receivable and similar income	5	25	63
Profit on ordinary activities before taxation		141	193
Tax on profit on ordinary activities	6	(101)	(27)
Profit for the financial year	12	40	166

The company has no recognised other comprehensive income and therefore no separate statement of Other Comprehensive Income has been presented.

Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)

Statement of financial position as at 31 December 2017

	Note	As at 31 December 2017 £'000	As at 31 December 2016 £'000
Current assets			
Debtors	7	4,538	4,638
		4,538	4,638
Creditors: amounts falling due within one year	8	(649)	(606)
Net current assets		3,889	4,032
Total assets less current liabilities		3,889	4,032
Provisions for liabilities	9	(1,625)	(1,808)
Net assets		2,264	2,224
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	2,264	2,224
Total shareholders' funds	12	2,264	2,224

The financial statements on pages 9 to 20 were approved by the board of directors on 28 September 2018 and were signed on its behalf by:



Paul Bailey
Director

Essity Operations Limited is registered in England and Wales under company number 08033620.

Essity Operations Limited
(Formerly SCA Hygiene Products Tissue Limited)

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
As at 1 January 2016	-	2,058	2,058
Profit for the financial year	-	166	166
As at 31 December 2016	-	2,224	2,224
As at 1 January 2017	-	2,224	2,224
Profit for the financial year	-	40	40
As at 31 December 2017	-	2,264	2,264

Essity Operations Limited

(Formerly SCA Hygiene Products Tissue Limited)

Statement of accounting policies

General information

The company is dormant but for an onerous lease. The company is a private company incorporated in the United Kingdom. Its registered address is Southfields Road, Dunstable, Bedfordshire, LU6 3EJ.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS101") and the Companies Act 2006.

The accounting policies set out below have been consistently applied to all the years presented unless otherwise stated. They have been prepared under the historical cost convention, and on a going concern basis.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note below.

Going concern

The company is profitable and has net assets and net current assets at the balance sheet date. As noted above this is expected to continue to be the case for the foreseeable future.

Exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - o 10(d), (statement of cash flows)
 - o 16 (statement of compliance with all IFRS)
 - o 38A (requirement for minimum of two primary statements, including cash flow statements)
 - o 38B-D (additional comparative information)
 - o 40A-D (requirements for a third statement of financial position)
 - o 111 (cash flow statement information)
 - o 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Essity Operations Limited

(Formerly SCA Hygiene Products Tissue Limited)

Statement of accounting policies (continued)

Debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit and 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.

Creditors

Short term creditors are measured at the transaction price.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lower of the useful economic life and lease term. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions

Provisions are recognised when the company has a present obligation, as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of that obligation can be made. Provisions for restructuring measures are made when a detailed, formal plan for the measures exists and well-founded expectations have been created among those who will be affected by the measures.

Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation 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.

Deferred tax is measured at the average tax rates and laws 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non – discounted basis.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provision for onerous lease

There is a time difference between the lease for the Horwich site and the sub lease. This is reviewed annually to reflect the potential impact of any rent reviews or any breaks in the contracts. See note 12 for the current carrying value of the provision.

Essity Operations Limited

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Notes to the financial statements for the year ended 31 December 2017

1 Auditors' remuneration

Auditors' remuneration has been met on behalf of the company by Essity UK Limited, a fellow subsidiary company. Services provided by the company's auditors: Fees payable for the audit of £5,000 (2016: £13,000).

2 Operating profit

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Selling and distribution expenses	-	-
Administrative expenses	(3)	-
	(3)	-

3 Directors' emoluments

The directors of the company were also directors of another UK group company for which remuneration was received in relation to services performed. The directors did not receive remuneration for any services provided for Essity Operations Limited (2016: nil).

4 Exceptional Items

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Onerous lease (note 9)	(119)	115
Release of provision	-	(245)
	(119)	(130)

The exceptional items relate to the following:

- A provision has been established for the shortfall between a lease and a sublease agreement for the Horwich site. The credit to the income statement of £119,000 (2016: charge of £115,000) relates to the discounting of the provision at the internal hurdle rate of 8.93% (2016: internal WACC rate of 5.74%).
- A credit to the income statement relating to the release of the provision established for the mothballing costs of the Oughtibridge site of £nil (2016: £245,000).

Essity Operations Limited
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Notes to the financial statements
for the year ended 31 December 2017 (continued)

5 Interest receivable and similar income

	Year ended 31 December 2017	Year ended 31 December 2016
	£'000	£'000
On amounts owed by group undertakings	25	63

6 Tax on profit on ordinary activities

Tax charge included in profit and loss

	Year ended 31 December 2017	Year ended 31 December 2016
	£'000	£'000
Current tax		
UK corporation tax on profit for the year	12	(57)
Adjustments in respect of prior periods	78	-
Total current tax charge/(credit)	90	(57)
Deferred tax		
Other timing differences	11	84
Total deferred tax charge (note 13)	11	84
Tax on charge on ordinary activities	101	27

The tax assessed for the year is lower (2016: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.0%). The differences are explained below:

Essity Operations Limited
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6 Tax on profit on ordinary activities (continued)

Reconciliation of current tax expense

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Profit on ordinary activities before taxation	141	193
Profit on ordinary activities multiplied by standard rate in the UK 19.25% (2016: 20.0%)	27	39
Effects of:		
Income not taxable for tax purposes	(3)	(3)
Adjustments in respect of prior periods	78	-
Effect of rate change	(1)	(9)
Tax expense	101	27

The Finance Act 2016, which was enacted on 15th September 2016 included legislation to reduce the main rate of Corporation Tax from 20% to 19% effective from 1st April 2017, resulting in a blended current tax rate of 19.25% for the period (2016: 20%). A further reduction in the UK Corporation Tax rate to 17% from 1st April 2020 was also included in the Finance Act 2016 and consequently deferred tax has been recognised at a rate of 17%.

Essity Operations Limited
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Notes to the financial statements
for the year ended 31 December 2017 (continued)

7 Debtors

	2017	2016
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	270	255
Amounts owed by group undertakings	4,004	4,133
Other debtors	-	41
Prepayments and accrued income	256	190
Deferred tax asset (note 10)	8	19
	4,538	4,638

The balances owed by group undertakings are all unsecured, interest free and have no fixed date of repayment, except:

- (i) Amounts due from SCA Capital NV of £nil (2016: £730,000), on which the interest rate is fixed at the Bank of England rate of 0.5%.
- (ii) Amounts due from Essity UK Limited (formerly SCA Hygiene Products UK Limited) of £2,654,000 (2016: £2,654,000), on which interest is receivable at 0.5% over the Natwest Bank base rate.

8 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	20	-
Amounts owed to group undertakings	299	305
Taxation and social security	42	-
Accruals and deferred income	288	301
	649	606

The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

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Notes to the financial statements
for the year ended 31 December 2017 (continued)

9 Provisions for liabilities

	Reorganisation	Onerous lease	Total
	£'000	£'000	£'000
At 1 January 2017	109	1,699	1,808
Profit and loss account credit for the year	-	(119)	(119)
Utilised during the year	(64)	-	(64)
At 31 December 2017	45	1,580	1,625

Onerous lease

A provision has been established for the shortfall between a lease and a sublease agreement. The release to the income statement relates to the discounting of the provision at the internal hurdle rate of 8.93% compared to 5.74% in the prior year.

Reorganisation

In May 2013, the company announced the closure of the Oughtibridge site and its former head office. The total provision remaining at 31 December 2017 is £45,000 which will be utilised in 2018.

10 Deferred Tax

The provision for deferred tax consists of the following deferred tax liabilities (assets):

Deferred tax asset	Other	Total
	£'000	£'000
At January 2017	(19)	(19)
Charged to the income statement	11	11
At 31 December 2017	(8)	(8)

Essity Operations Limited
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Notes to the financial statements
for the year ended 31 December 2017 (continued)

11 Called up share capital

	2017	2016
	£'000	£'000
Authorised		
2 (2016: 2) ordinary share of £1 each	-	-
Allotted and fully paid		
2 (2016: 2) ordinary shares of £1 each	-	-

12 Reserves

	Profit and loss account £'000
At 1 January 2017	2,224
Profit for the financial year	40
At 31 December 2017	2,264

13 Financial commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	£'000	£'000
Not later than one year	848	750
Later than one and not later than five years	3,392	3,000
Later than five years	1,484	2,063
	5,724	5,813

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Notes to the financial statements
for the year ended 31 December 2017 (continued)

14 Immediate and ultimate parent undertaking and controlling party

The company is a subsidiary of Essity Group Holding BV (formerly SCA Group Holding BV), a company registered in the Netherlands. By virtue of their shareholding, the ultimate parent company and controlling party of the company is Essity Aktiebolag (publ), a company incorporated in Sweden. The immediate parent company is Essity Holding UK Limited (formerly SCA UK Holdings Limited), a company registered in England and Wales.

Essity Aktiebolag (publ) is the parent company of the largest and smallest group to prepare consolidated financial statements for 2017. Copies of these financial statements for the year ended 31 December 2017 may be obtained from the following address:

Southfields Road
Dunstable
Bedfordshire
LU6 3EJ