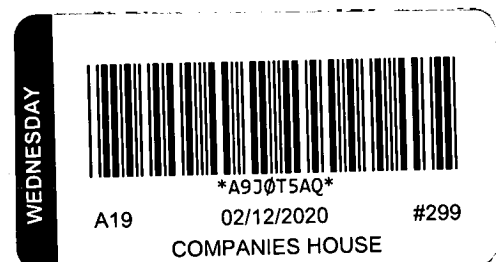


Fiberweb Geosynthetics Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2019

Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB



Fiberweb Geosynthetics Limited

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Fiberweb Geosynthetics Limited

Company Information

Directors	A M McCarthy A Schalk
Company secretary	Intertrust (UK) Limited
Registered office	Intertrust (UK) Limited 1 Bartholomew Lane London EC2N 2AX
Bankers	JPMorgan Chase N.A. London Branch 25 Bank Street London E14 5JP
Auditors	Lambert Chapman LLP Chartered Accountants and Registered Statutory Auditors 3 Warners Mill Silks Way Braintree Essex CM7 3GB

Fiberweb Geosynthetics Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the manufacture and sale of non-woven geotextiles and extruded plastic net and printed film.

Fair review of the business

The results for the year and financial position of the company are shown in the annexed financial statements.

Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

Turnover has increased marginally by £979(000) to £26,803(000) from £25,824(000) and the loss before tax was £1,033(000) (2018 profit of - £161(000)).

The performance in the year has weakened the balance sheet, decreasing total equity to £7,611(000) (2018 - £8,644(000)). The loss in the year occurred as a result of the exceptional items (see note 5 of the financial statements), this has offset the increased UK turnover and the improvements in gross profit margins being 25.43% from 20.5% in 2018. The increased turnover was primarily due to maintaining key customer relationships and winning and retaining large projects. Gross profit has improved significantly compared to the previous financial year for core products due to purchasing power of raw materials and synergies with RPC Group Limited a UK company purchased by Berry Global Inc. in July 2019.

The trading profit achieved (not including the exceptional items) in the year was due to a combination of factors affecting overall operational performance. These include start up R&D investment using new production technology methods and labour utilisation. RDEC tax credits of £385(000) (2018: £175(000)) have been claimed in the year to cover these project and investment costs.

The Company carried out some significant cost restructuring and is also focusing on improving production efficiency which will support Sales & Marketing initiatives to regain market share.

The directors believe that the restructuring that has already taken place combined with a Berry Global Inc. supported strategy to regain market share in core product areas should enhance the performance of the Company.

The key financial and other performance indicators for the year ended 31 December 2019 are summarised below:

	2019	2018	Change
	£'000	£'000	%
Turnover	26,803	25,824	3.79%
Gross Profit	6,817	5,298	28.67%
Tonnes Sold	8,205	8,213	-0.10%

Future developments

The directors aim to maintain the management policies to increase market share in core and new product areas.

Continued investment in R&D to identify opportunities to develop new and existing products in niche markets areas will assist in gaining market share in new lucrative markets.

Further Investment in capital expenditure to achieve management strategy on cost savings with a focus on new machinery and energy saving initiatives.

The Company has secured a £6m investment for a Melt blown line. This line has been secured on long term supply contracts and will positively impact the business profitability for 2020 and beyond.

Fiberweb Geosynthetics Limited

Strategic Report for the Year Ended 31 December 2019

Post balance sheet events

After the year end the company lost a legal case relating to patent infringements, appropriate settlement and legal fees have been included within these financial statements.

COVID-19 negatively impacting the business in 2020. However, recovery has been swift within the construction and forestry sectors, and is now back to pre COVID levels.

The directors are confident of growth of the company following the strong performance in the 2020 period to date and are optimistic for the company's future.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are shown below:

- **Price risk:** The Company is exposed to commodity price risk, in relation to polymer prices in particular. The Company manages this risk by purchasing raw materials from multiple suppliers where possible in order to maximise price competition.

- **Credit risk:** The Company's principal financial assets are its bank balances and cash, and trade debtors. Provisions are made as required for any doubtful debts where there is an identified loss event which could give rise to a reduction in the recoverability of cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a number of customers.

- **Exchange rate/Interest rate risk:** A proportion of the Company's turnover is to companies in countries outside the UK and, as such, the Company is exposed to movements in exchange rates. The Company does not use foreign exchange forward contracts to hedge this but it does look at the net position of gains and losses to make a judgement as to whether the policy of not hedging remains valid.

Interest rate risk stemming from group loans is mitigated through regular review of cash flow forecasts and through loan repayments to limit the interest payable.

- **Liquidity risk:** In order to maintain liquidity the company needs to ensure there is sufficient funds available for ongoing operations and future developments. The Company also has access to funds through its parent company which Fiberweb Geosynthetics Limited funds through shared service recharges at £885k (2018:£963k) per annum.

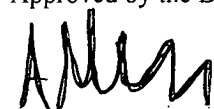
- **Going concern risk/ funding risk:** The majority of the capital employed by the company is funded by intercompany loans amounting to £3.9m (2018: £8.2m). These loans will only be repaid when the company has excess cash available, included within the loans due after one year is £nil (2018: £7.4m).

- **Competition Risk:** The Company is at risk from competition but manages this risk through an increasingly diverse product portfolio and commercially new solutions.

- **COVID-19:** The directors are aware of the potential impact of the COVID-19 pandemic in the next reporting period. The directors are monitoring the situation and have taken reasonable steps to mitigate the impact on the company.

- **Brexit:** The UK has voted to leave the EU with effect from 1 January 2021 which could cause an increase in costs with foreign currency suppliers and potential issues with importing and exporting of goods. The directors are monitoring the foreign exchange rates and all government updates regarding importing and exporting of goods to minimise any impact.

Approved by the Board on 18/11/2020 and signed on its behalf by:



A M McCarthy
Director

Fiberweb Geosynthetics Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

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

M A Siebert (ceased 1 October 2019)

A J M Van Der Steenhoven (ceased 8 June 2020)

C Ballay (appointed 1 October 2019 and ceased 15 July 2020)

The following directors were appointed after the year end:

A M McCarthy (appointed 8 June 2020)

A Schalk (appointed 15 July 2020)

Important adjusting events after the financial period

The company lost a legal case in 2020 relating to patent infringements, the cost of settlement and appropriate legal fees have therefore been accrued within these financial statements.

Important non adjusting events after the financial period

Following the year end date, the world has been impacted by the onset and escalation of coronavirus (COVID-19) which was announced as a pandemic by the World Health Organisation (WHO) on 11 March 2020. The directors are aware of the potential impact of COVID-19 and as a result are implementing mitigating actions and processes to ensure the business continues to operate effectively. In the opinion of the Board, the company has experienced some impact in the financial performance of the company in the next reporting period but as the event is still ongoing cannot fully quantify the effect.

The company is appealing the court decision relating to the patent infringement post balance sheet event. The directors are hopeful the appeal will be successful and the damages will be refunded to the company but as the outcome is uncertain no contingent asset or liability has been recognised. To the date of approval of the accounts, the company has spent £105(000) on the appeal process.

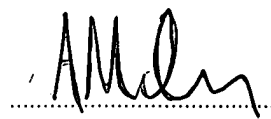
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Lambert Chapman LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 18/11/2020 and signed on its behalf by:



A M McCarthy
Director

Fiberweb Geosynthetics Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting 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.

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

Opinion

We have audited the financial statements of Fiberweb Geosynthetics Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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. 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

Opinion on other matter 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 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 our 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 and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Fiberweb Geosynthetics Limited

Independent Auditor's Report to the Members of Fiberweb Geosynthetics Limited

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



.....
Graham McNeill - FCCA (Senior Statutory Auditor)
For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Date: 27/11/2020

Fiberweb Geosynthetics Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	3	26,803	25,824
Cost of sales		<u>(19,986)</u>	<u>(20,526)</u>
Gross profit		6,817	5,298
Distribution costs		(1,572)	(1,739)
Administrative expenses		(4,065)	(3,397)
Exceptional administrative gains / (losses)	5	(2,413)	-
Other operating income	4	411	220
Interest payable and similar expenses	7	<u>(211)</u>	<u>(221)</u>
(Loss)/profit before tax		<u>(1,033)</u>	<u>161</u>
(Loss)/profit for the financial year		<u><u>(1,033)</u></u>	<u><u>161</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Fiberweb Geosynthetics Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

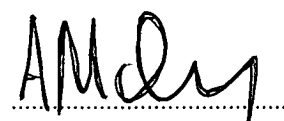
	2019 £ 000	2018 £ 000
(Loss)/profit for the year	<u>(1,033)</u>	<u>161</u>
Total comprehensive income for the year	<u><u>(1,033)</u></u>	<u><u>161</u></u>

Fiberweb Geosynthetics Limited

(Registration number: 01589762)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	5,513	6,396
Current assets			
Stocks	12	3,226	3,341
Debtors	13	6,202	7,868
Cash at bank and in hand	14	1,756	2,592
		<u>11,184</u>	<u>13,801</u>
Creditors: Amounts falling due within one year	15	<u>(8,973)</u>	<u>(4,130)</u>
Net current assets		<u>2,211</u>	<u>9,671</u>
Total assets less current liabilities		<u>7,724</u>	<u>16,067</u>
Creditors: Amounts falling due after more than one year	15	-	(7,423)
Provisions for liabilities	16	<u>(113)</u>	<u>-</u>
Net assets		<u>7,611</u>	<u>8,644</u>
Capital and reserves			
Called up share capital	18	28	28
Share premium reserve		30	30
Capital contribution		20,000	20,000
Profit and loss account		<u>(12,447)</u>	<u>(11,414)</u>
Total equity		<u>7,611</u>	<u>8,644</u>

Approved and authorised by the Board on 18/11/2020 and signed on its behalf by:


A M McCarthy
Director

Fiberweb Geosynthetics Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Capital contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	28	30	20,000	(11,414)	8,644
Loss for the year	-	-	-	(1,033)	(1,033)
Total comprehensive income	-	-	-	(1,033)	(1,033)
At 31 December 2019	<u>28</u>	<u>30</u>	<u>20,000</u>	<u>(12,447)</u>	<u>7,611</u>

	Share capital £ 000	Share premium £ 000	Capital contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	28	30	20,000	(11,575)	8,483
Profit for the year	-	-	-	161	161
Total comprehensive income	-	-	-	161	161
At 31 December 2018	<u>28</u>	<u>30</u>	<u>20,000</u>	<u>(11,414)</u>	<u>8,644</u>

Capital contribution

During the year ended 31 December 2015, a loan of £20,000(000) attributed to the parent group undertaking was formally written off. This has been shown as a capital contribution.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is: Intertrust (UK) Limited, 1 Bartholomew Lane, London, EC2N 2AX.

The principal place of business is: Blackwater Trading Estate, The Causeway, Maldon, Essex, CM9 4GG.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention and presented in Sterling (£), which is the company's functional currency and rounded to the nearest £'000.

Reporting period

These financial statements present the results of the Company for the year ended 31 December 2019. The comparative period is for the year ended 31 December 2018.

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends upon future financing requirements and the availability of sufficient cash resources to meet those requirements. The Directors have a reasonable expectation that the company will have access to adequate resources to remain in existence for the foreseeable future with continued financial support from group companies.

Adjusting events after the financial period

The company lost a legal case in 2020 relating to patent infringements, the cost of settlement and appropriate legal fees have therefore been accrued within these financial statements.

Exemption from preparing group accounts

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- The requirements of section 7 Statement of Cash Flows and section 3 Financial statement presentation: paragraph 3.17(d)
- The requirements of Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c).
- Requirements of section 33 Related Party Disclosures paragraph 33.7.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The management's judgements have not been viewed to have had a material effect on the financial statements.

Key sources of estimation uncertainty

RDEC tax credit - Project costs and the associated tax credit have not been finalised, therefore, an estimate has been included within these financial statements. The carrying amount is £385(000) (2018 -£175(000)).

Stock obsolescence - A provision is made for obsolete, slow moving or defective items, being a percentage of items that have not moved over a medium term. The carrying amount is £183(000) (2018 -£116(000)).

Dilapidation cost - The provision is based on estimated costs where available over the term of the lease (the term of the lease includes the expected extension).. The carrying amount is £113(000) (2018 -£Nil(000)).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of non-woven geotextiles and extruded plastic net and printed film products in the ordinary course of the Company's activities. Turnover is shown net of value added tax.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

Foreign currency transactions and balances

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

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary material differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	Over the period of the lease
Plant and machinery	10% and 25% Straight line method

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock consists of raw materials, work in progress and finished goods.

Raw materials are valued at the lower of cost less any adjustment for impairment.

Finished goods and work in progress are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. A provision is made for obsolete, slow-moving or defective items where appropriate.

Cost represents the expenditure incurred in bringing each product to its present location and condition as follows:

- Non-woven geotextiles and extruded plastic net and printed film - Raw materials that has been mechanically and thermally bonded.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the profit and loss account.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at their fair value at inception of the lease. These assets are depreciated on a straight-line basis over the useful life of the asset. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019 £ 000	2018 £ 000
Sale of goods	<u>26,803</u>	<u>25,824</u>

The analysis of the company's turnover for the year by market is as follows:

	2019 £ 000	2018 £ 000
UK	16,913	16,254
Europe	6,775	6,480
Rest of world	<u>3,115</u>	<u>3,090</u>
	<u>26,803</u>	<u>25,824</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £ 000	2018 £ 000
Scrap sales	26	45
RDEC tax credit	<u>385</u>	<u>175</u>
	<u>411</u>	<u>220</u>

5 Exceptional item

Included within exceptional items are;

- Intercompany loan owed by Terram Geosynthetics PVT Limited (a group company) was formally written off totalling £1,823(000) (2018 - £nil).
- Claimant costs totalling £590(000) (2018 - £nil) following a patent infringement legal claim.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

6 Operating (loss)/profit

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation expense	<u>1,410</u>	<u>1,419</u>

7 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts and borrowings	<u>211</u>	<u>221</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	4,030	4,027
Social security costs	399	434
Pension costs, defined contribution scheme	45	35
Staff training	<u>2</u>	<u>-</u>
	<u>4,476</u>	<u>4,496</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Production	98	92
Administration and support	<u>31</u>	<u>33</u>
	<u>129</u>	<u>125</u>

9 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>26</u>	<u>23</u>

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
Tax expense/(receipt) in the income statement	-	-

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	(1,033)	161
Corporation tax at standard rate	(196)	31
Effect of expense not deductible in determining taxable profit (tax loss)	366	41
Tax decrease from effect of capital allowances and depreciation	(190)	(226)
Losses utilised for group relief	20	154
Total tax charge/(credit)	-	-

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000
2019		
Accelerated capital allowances	-	794
Taxable losses carried forward	794	-
	<u>794</u>	<u>794</u>
2018		
Accelerated capital allowances	-	1,504
Taxable losses carried forward	1,504	-
	<u>1,504</u>	<u>1,504</u>

There are £8,241(000) of unused tax losses (2018 - £4,620(000)) for which no deferred tax asset is recognised in the Balance Sheet.

The company expects that no net reversal will occur in the following year as any provision reversed will be covered by the deferred tax asset.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

11 Tangible assets

	Leasehold Land and buildings £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation			
At 1 January 2019	758	15,453	16,211
Additions	70	457	527
Disposals	-	(1,142)	(1,142)
At 31 December 2019	<u>828</u>	<u>14,768</u>	<u>15,596</u>
Depreciation			
At 1 January 2019	202	9,613	9,815
Charge for the year	38	1,372	1,410
Eliminated on disposal	-	(1,142)	(1,142)
At 31 December 2019	<u>240</u>	<u>9,843</u>	<u>10,083</u>
Carrying amount			
At 31 December 2019	<u>588</u>	<u>4,925</u>	<u>5,513</u>
At 31 December 2018	<u>556</u>	<u>5,840</u>	<u>6,396</u>

12 Stocks

	2019 £ 000	2018 £ 000
Raw materials and consumables	632	875
Work in progress	48	49
Finished goods	<u>2,546</u>	<u>2,417</u>
	<u>3,226</u>	<u>3,341</u>

13 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	4,762	3,961
Amounts owed by group undertakings	630	3,108
Other debtors	3	5
Prepayments and accrued income	<u>807</u>	<u>794</u>
	<u>6,202</u>	<u>7,868</u>

The amounts owed by group undertakings are not subject to interest.

Debtors include Group balances, whilst these amounts are due on demand it is unlikely they will be received in full during the coming year.

14 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank	<u>1,756</u>	<u>2,592</u>

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15 Creditors

	2019 £ 000	2018 £ 000
Due within one year		
Trade creditors	1,450	1,898
Amounts due to group undertakings	3,940	738
Social security and other taxes	304	192
Other payables	30	-
Accrued expenses	3,249	1,302
	<u>8,973</u>	<u>4,130</u>
Due after one year		
Amounts owed to group undertakings	-	7,423

The amounts owed to group undertakings incur interest at 0-5.37% (2017: 0-5.37% per annum).

Creditors include Group balances, whilst these amounts are due on demand it is unlikely they will be repaid in full during the coming year.

16 Provisions for liabilities

	Dilapidations provision £ 000	Total £ 000
Additional provisions	113	113
At 31 December 2019	<u>113</u>	<u>113</u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £45(000) (2018 - £35(000)).

18 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:

The ordinary shares shall be non-redeemable but shall hold full rights in respect of voting, and shall entitle the holder to full participation in respect of equity and in the event of a winding up of the company. The shares may be considered by the directors when considering dividends from time to time.

Fiberweb Geosynthetics Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	1,239	1,254
Later than one year and not later than five years	3,893	4,287
Later than five years	4,654	5,917
	<u>9,786</u>	<u>11,458</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,237(000) (2018 - £1,252(000)).

The Aberdare lease is currently in negotiation to be extended for a further 10 years to November 2032, an appropriate dilapidation provision has been included based on the lease extension.

20 Non adjusting events after the financial period

Following the year end date, the world has been impacted by the onset and escalation of coronavirus (COVID-19) which was announced as a pandemic by the World Health Organisation (WHO) on 11 March 2020. The directors are aware of the potential impact of COVID-19 and as a result are implementing mitigating actions and processes to ensure the business continues to operate effectively. In the opinion of the Board, the company has experienced some impact in the financial performance of the company in the next reporting period but as the event is still ongoing cannot fully quantify the effect.

The company is appealing the court decision relating to the patent infringement post balance sheet event. The directors are hopeful the appeal will be successful and the damages will be refunded to the company but as the outcome is uncertain no contingent asset or liability has been recognised. To the date of approval of the accounts, the company has spent £105(000) on the appeal process.

21 Parent and ultimate parent undertaking

The company's immediate parent is Fiberweb Holdings Limited, incorporated in Great Britain and registered in England and Wales.

The ultimate parent is Berry Plastics Group, Inc., incorporated in USA.

The parent of the largest and smallest group in which these financial statements are consolidated is Berry Plastics Group, Inc., incorporated in USA.

The address of Berry Plastics Group, Inc. is:
101 Oakley Street, Evansville, Indiana, 47710, USA

These group financial statements are available to the public from the Berry Plastics Group, Inc..