

Registered No: 2156379

Freudenberg Limited

Directors' report and financial statements

31 December 2020



Freudenberg Limited

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Freudenberg Limited

Company Information

Directors

H Randau

N Webster appointed 1st March 2021

Registered number

2156379

Auditors

Rödl & Partner Limited

170 Edmund Street

Birmingham

B3 2HB

Registered office

Unit 1B Greenvale Business Park

Todmorden Road

Littleborough

Lancashire OL15 9AH

Freudenberg Limited

Registered No. 2156379

Directors' report for the year ended 31 December 2020

The directors present their report and financial statements for the year ended 31 December 2020.

Principal activity

The company is the general partner of, and has a 0.01% interest in, Freudenberg Performance Materials Limited Partnership. The only income of the company is its share of the profits of Freudenberg Performance Materials Limited Partnership.

Results and dividend

The directors do not recommend the payment of a dividend.

The results for the year are set out in the profit and loss account of the financial statements.

Business review and future developments

The directors foresee that the company will continue to be the general partner of Freudenberg Performance Materials Limited Partnership for the foreseeable future.

Principal risks and uncertainties

The principal risk facing the company is the decrease in the profitability of Freudenberg Performance Materials LP, in which the company holds an interest.

Directors of the company

The directors who served the company during the year and any changes to the directors were shown on page 1.

The directors have no liabilities.

Going concern

The directors have reviewed the company's finances and working capital facilities over the next twelve months and determined that company can meet its liabilities as they fall due. The directors therefore have reasonable expectation that there are adequate resources and the support from its ultimate parent company, for the Company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements. Further details are given in note 2 to the financial statements.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to appoint Rodl & Partner as auditors will be put to the members at the Annual General Meeting.


Freudenberg Limited

Directors' report (continued) **for the year ended 31 December 2020**

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. The company has taken advantage of the exemption offered by section 414(b) of Chapter A4 of the Companies Act 2006, not to prepare a Strategic Report.

By order of the Board



N Webster
Director

30 June 2021

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial 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) including FRS101 *The 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 the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Freudenberg Limited

Opinion

We have audited the financial statements of Freudenberg Limited for the year ended 31 December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes 1 to 20 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 101 "Reduced Disclosure Framework" (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 2020 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. 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.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business

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

rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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.
- 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 the opinions we have formed.



Imran Farooq (Senior Statutory Auditor)
For and on behalf of Rödl & Partner Limited

170 Edmund Street
Birmingham
B3 2HB

Date: 30th June 2021

Freudenberg Limited

Profit and loss account for the year ended 31 December 2020

	Notes	2020 £	2019 £
Income from investments	3	416	150
Operating profit		416	150
Interest payable and similar expenses		-	-
Profit on ordinary activities before taxation		416	150
Tax on profit on ordinary activities		-	-
Profit for the financial year		416	150

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

The notes on pages 12 to 15 are an integral part of these financial statements.

Freudenberg Limited

Statement of Comprehensive Income for the year ended 31 December 2020

		2020	2019
	Notes	£	£
Profit for the financial year	3	416	150
Other comprehensive income			
Share of partnership on re-measurement (losses)/ gain on defined benefit pension plans		(48)	(167)
Other comprehensive income for the year, net of tax		(48)	(167)
Total comprehensive (expense)/income for the year		368	(17)

The notes on pages 12 to 15 are an integral part of these financial statements.

Freudenberg Limited

Statement of changes in equity for the year ended 31 December 2020

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
At 1 January 2019	3,111	2,182	5,293
Profit for year	-	150	150
Share of actuarial gains recognised in the pension scheme of partnership investment	-	(167)	(167)
At 1 January 2020	3,111	2,165	5,276
Profit for year	-	416	416
Share of actuarial losses recognised in the pension scheme of partnership investment	-	(48)	(48)
At 31 December 2020	3,111	2,533	5,644

The notes on pages 12 to 15 are an integral part of these financial statements.

Freudenberg Limited

Balance Sheet at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Investment	6	1,563	1,445
Current assets			
Other accounts receivable from intercompany		4,081	3,831
Net assets		<u>5,644</u>	<u>5,276</u>
Capital and reserves			
Share capital	7	3,111	3,111
Profit and loss account		2,533	2,165
Total equity		<u>5,644</u>	<u>5,276</u>

The notes on pages 12 to 15 are an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors on 30 June 2021 and were signed on behalf of by



N Webster
Director

Notes to the financial statements

at 31 December 2020

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Freudenberg Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 30 June 2021 and the balance sheet was signed on the board's behalf by N Webster. Freudenberg Limited is a private company limited by shares domiciled and incorporated in United Kingdom. The registered office is situated in Unit 1B Greenvale Business Park, Todmorden Road, Littleborough Lancashire OL15 9AH.

The company's financial statements for the year ended 31 December 2020 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The principal accounting policies adopted by the company are set out in note 2 (c).

2. Accounting policies

a) Basis of preparation and change in accounting policy

The financial statements are prepared on a going concern under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

The company has taken advantage of the following disclosure exemptions under FRS101:

- i) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- ii) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- iii) the requirements of IAS 7 Statement of Cash Flows
- iv) the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- v) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Going Concern

The Covid-19 crisis has had limited impact on the Company. As the general partner of Freudenberg Performance Materials LP, the majority of the partnership's transactions are intercompany.

The Company is part of a cash pooling arrangement with Freudenberg Group. The board of the Group has assessed whether the Group will be able to meet their liabilities as they fall due for a period of at least twelve months from the date of approval of their financial statements. This assessment included reverse stress testing and further stress testing cash flow forecasts by applying various scenarios to those tests. The output of the various cash flow forecasting and stress testing did not demonstrate any apparent risk to the business over the next 12 months. In addition, the ultimate parent company has provided a letter of support to confirm continued support to enable them to meet their liabilities as they fall due, if there was a significant impact in the future from Covid-19.

Notes to the financial statements (continued)
at 31 December 2020

b) Judgements and key sources of estimation uncertainty

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.

There were no estimates and assumptions made during the year that would have a material impact on the financial statements

Share of partnership profit

The company incorporates its share of partnership profits into its financial statements. They are shown in the financial statements as part of the company's investment in the partnership to the extent that a distribution has not been received.

3. Income from investments

	2020	2019
	£	£
Share of partnership profit	<u>416</u>	<u>150</u>

4. Auditors' remuneration

The auditor's remuneration for the company was borne by Freudenberg Performance Materials LP.

5. Directors' remuneration

The directors, who received no remuneration during the current and preceding year, were the only employees of the company.

Freudenberg Limited

Notes to the financial statements (continued) at 31 December 2020

6. Fixed asset investments

	£
Partnership capital:	
At 1 January 2018, 31 December 2018 and 31 December 2019	<u>669</u>
Share in partnership results:	
At 1 January 2019	1,053
Profit for the year	150
Actuarial gain recognised in the pension scheme	(167)
Distribution from limited partnership	<u>(260)</u>
At 31 December 2019	<u>776</u>
Profit for the year	416
Actuarial loss recognised in the pension scheme	(48)
Distribution from limited partnership	<u>(250)</u>
At 31 December 2020	<u>894</u>
Net book value:	
At 31 December 2020	<u>1,563</u>
At 31 December 2019	<u>1,445</u>
At 1 January 2019	<u>1,722</u>

The company is the general partner and has a 0.01% share in Freudenberg Performance Materials LP, a limited partnership, whose ultimate beneficial owner is Freudenberg & Co KG (see note 8).

7. Authorised, issued and called up share capital

	2020 £	2019 £
<i>Authorised</i>		
3,111 (2017: 3,111) ordinary shares of £1 each	<u>3,111</u>	<u>3,111</u>
<i>Allotted, called up and fully paid:</i>		
3,111 (2017: 3,111) ordinary shares of £1 each	<u>3,111</u>	<u>3,111</u>

8. Related party transactions

During the year the company entered into transactions with related parties, in the ordinary course of business. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. The only related party transaction relates to the profit share in Freudenberg Performance Materials LP (2020: £368, 2019: £(17)).

Notes to the financial statements (continued)
at 31 December 2020

9. Ultimate parent undertaking and controlling party

The immediate parent company of Freudenberg Limited is FPM Service GmbH, a German partnership. The ultimate beneficial owner of the company as at 31 December 2020 is Freudenberg & Co. KG, a Germany partnership.

The group financial statements of the ultimate beneficial owner, Freudenberg & Co. KG, and an English translation can be acquired from Freudenberg & Co., Kommanditgesellschaft, 69469 Weinheim, Germany.