



ARJOWIGGINS

Arjo Wiggins Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2015

Registration number: 00153630

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 Forbury Place
23 Forbury Road
Reading
RG1 3JH

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Arjo Wiggins Limited

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Arjo Wiggins Limited

Company Information

Directors Mr A P D Gourjon
Mr C Mountford
Mr M J Newell

Company secretary Eversecretary Limited

Registered office Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Independent Auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 Forbury Place
23 Forbury Road
Reading
RG1 3JH

Arjo Wiggins Limited

Strategic Report for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Principal activities

Following the closure of the Dartford paper mill the company no longer trades, and has no other business other than holding interest bearing debtor loans with other group companies

Fair review of the business

The profit for the financial year was £106,000 (2014: £117,000).

The directors do not anticipate any change to the Company's activities in the foreseeable future.

The Company has chosen to adopt Financial Reporting Standard 102 (FRS 102) with certain exemptions of the reduced disclosure framework applied with the effect of this change determined from the beginning of January 2014 which is the prior accounting year. The impact of this on the Company's financial position and financial performance can be seen in note 16 of the financial statements.

Key performance indicators

The directors of the Arjo Wiggins Group manage the operations at a group level. For this reason the Company directors believe that using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Arjo Wiggins Limited. The development, performance and position of the Arjo Wiggins Group which includes the Company, is discussed in the Sequana Group's annual report which does not form part of this report.

Principal risks and uncertainties

UK Pension scheme deficit

The Company participates in a UK defined benefit scheme with other UK group companies. The Company is unable to identify its share of the underlying assets and liabilities of the scheme. The independent pension scheme trustee calculated a significant deficit for the UK scheme in the 2012 valuation that is not in line with the calculation of a surplus under FRS102 at the end of 2014 and 2015. The 2012 valuation was finalized in June 2014 and a schedule of contributions and recovery plan were adopted. Details of the scheme's assets and liabilities and the recovery plan are contained within the financial statements of The Wiggins Teape Group Limited, which is the Company's parent entity.

Approved by the Board on 31 May 2016 and signed on its behalf by:



.....
Mr C Mountford
Director

Arjo Wiggins Limited

Directors' Report for the Year Ended 31 December 2015

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2015.

Directors of the Company

The directors who held office during the year and up to the date of signing this report were as follows:

Mr A P D Gourjon

Mr C Mountford

Mr M J Newell

Results and dividends

The audited financial statements for the year are set out on pages 7 to 16.

No dividend has been paid in the year and the directors recommend that no final dividend be declared (2014: £nil).

Financial risk management

Objectives and policies

The Company has limited exposure to financial risks.

The Finance department has an Arjo Wiggins group policy and procedures manual that sets out specific guidelines to manage financial risk in the company.

The Company did not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting was applied.

Liquidity and interest rate cash flow risk

Liquidity risk

The Company's exposure to liquidity risk is not significant, as long-term and short-term finance for the Company is provided by other group companies to ensure the Company has sufficient available funds for operations.

Interest rate cash flow risk

The Company has interest bearing assets with other group companies. Group assets earn interest at local base rates.

Future developments

The directors do not anticipate any change to the company's activities in the foreseeable future.

Arjo Wiggins Limited

Directors' Report for the Year Ended 31 December 2015

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) 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, comprising FRS 102, has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemption, if any, of FRS 102 used in the preparation of 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.


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

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Approved by the Board on 31 May 2016 and signed on its behalf by:


.....
Mr C Mountford
Director

Arjo Wiggins Limited

Independent Auditors' Report to the members of Arjo Wiggins Limited

Report on the financial statements

Our Opinion

In our opinion, Arjo Wiggins Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report") comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Income and Retained Earnings for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Arjo Wiggins Limited

Independent Auditors' Report to the members of Arjo Wiggins Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

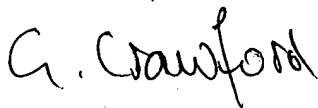
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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Gavin Crawford (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
Reading

31 May 2106

Arjo Wiggins Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover		-	-
Cost of sales		<u>(21)</u>	<u>(5)</u>
Operating loss	5	(21)	(5)
Interest receivable and similar income	6	<u>127</u>	<u>122</u>
Profit on ordinary activities before taxation		106	117
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
Profit for the financial year		106	117
Accumulated losses at 1 January		<u>(135,204)</u>	<u>(135,321)</u>
Accumulated losses at 31 December		<u><u>(135,098)</u></u>	<u><u>(135,204)</u></u>

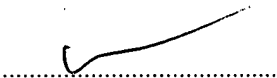
The company has no recognised gains or losses other than those included in the the results above, and therefore the profit for the year is indicative of total comprehensive income for the year.

Arjo Wiggins Limited

(Registration number: 00153630)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Current assets			
Debtors	9	23,592	23,465
Creditors: Amounts falling due within one year	10	<u>(53)</u>	<u>(32)</u>
Total assets less current liabilities		23,539	23,433
Provisions for liabilities	11	<u>(40)</u>	<u>(40)</u>
Net assets		<u>23,499</u>	<u>23,393</u>
Capital and reserves			
Called up share capital	13	92,260	92,260
Share premium account		16,387	16,387
Capital redemption reserve		49,950	49,950
Profit and loss account		<u>(135,098)</u>	<u>(135,204)</u>
Total equity		<u>23,499</u>	<u>23,393</u>

The financial statements on pages 7 to 16 were authorised for issue by the board of directors on 31 May 2016 and signed on its behalf by:


.....
Mr C Mountford
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The Company is a private company limited by share capital incorporated and domiciled in England.

The address of its registered office is:

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

The principal place of business is:

Fine Papers House
Lime Tree Way
Chineham
Basingstoke
RG24 8WZ

2 Statement of compliance

The financial statements of Arjo Wiggins Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 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. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 16.

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 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 note 4.

Summary of disclosure exemptions

The Directors have opted to report under FRS 102 reduced disclosure framework. The Company has therefore exemption from the following:

- a) presenting a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Sequana SA, includes the company's cash flow in its own consolidated financial statements;
- b) disclosing key management personnel compensation;
- c) disclosing related party transactions entered into between two or more members of Sequana group; and
- d) disclosing share-based payments using equity instruments of another group entity.

The shareholders have been notified of the disclosure exemptions and have not objected to their use.

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

3 Accounting policies (continued)

Name of parent of group

These financial statements are consolidated in the financial statements of Sequana SA.

The financial statements of Sequana SA may be obtained from The Company Secretary

19 avenue Montaigne

75008 Paris

France.

Going concern

The Company meets its day-to-day working capital requirements through its group bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Finance income and costs policy

Interest income is recognised using the effective interest rate method.

Foreign currency

i) Functional and presentation currency

The Company's functional and presentational currency is the pound sterling.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

3 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined benefit pension obligation

Until 31 October 2010 all the Company's employees were members of the Wiggins Teape Pension Scheme ("WTPS"), which covered practically all of the UK employees of the companies within the former Arjo Wiggins Appleton Group. The WTPS was closed to all new and existing employees of the company on 31 October 2010. The Company remains a participating employer of the WTPS.

Whilst the WTPS is a defined benefit scheme, the Company is unable to identify its share of the underlying assets and liabilities. As allowed by FRS 102, details of the scheme are contained within the Financial Statements of The Wiggins Teape Group Limited, the Company's parent entity and the company that currently pays the administration costs of the WTPS and also pays any required deficit payments.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

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 address below.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.

5 Operating loss

Operating loss is stated after charging

	2015 £ 000	2014 £ 000
Auditors' remuneration - audit of the financial statements	-	1
Other operating charges	21	4

Auditors' remuneration of £1,000 for the audit of the financial statements has been paid by Arjo Wiggins Fine Papers Limited (2014: £1,000 paid by the Company).

There has been no provision of non-audit services (2014: nil).

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

6 Interest receivable and similar income

	2015 £ 000	2014 £ 000
Interest receivable from group undertakings	<u>127</u>	<u>122</u>

7 Directors' remuneration and staff costs

All the directors are employed as managers by companies in the Sequana group of companies. The emoluments and benefits the directors receive from the group are attributed wholly to their employment as managers. None of the directors has a contract of service or for services as a director or receives any separately identified emoluments or benefits of any kind in respect of their services as directors of the Company, or as directors of any other company in the group (2014: Nil).

The Company has no employees, so no staff costs have been incurred during the year (2014: £nil).

8 Tax on profit on ordinary activities

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	25	25
Group relief receivable	<u>(25)</u>	<u>(25)</u>
Tax expense in the income statement	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit on ordinary activities before taxation	<u>106</u>	<u>117</u>
Corporation tax at standard rate	21	25
Effect of expense not deductible in determining taxable profit	4	-
Tax decrease arising from group relief	<u>(25)</u>	<u>(25)</u>
Total tax charge	<u>-</u>	<u>-</u>

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Tax on profit on ordinary activities (continued)

Factors that may affect future tax charges

Changes to reduce the UK corporation rate to 19% from 1 April 2017 and to 18% from 1 April 2020 have been substantially enacted on 26 October 2015.

A further change to UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020.

9 Debtors

	2015 £ 000	2014 £ 000
Amounts owed by group undertakings	<u>23,592</u>	<u>23,465</u>

Amounts owed by group undertakings are unsecured and repayable on demand. They bear interest at UK bank base rate.

Included within the loans to group undertakings of £23,592,000 (2014: £23,464,000) is a loan due from Arjo Wiggins Carbonless Papers Europe Limited of £22,506,000 (2014: £22,393,000) for which it is the expectation of the directors that recovery of this amount will be in more than one year.

The Company has provided security, in the form of the amounts owed by fellow group undertakings, to third parties in respect of loans provided to an intermediate parent company, ArjoWiggins SAS.

10 Creditors: Amounts falling due within one year

	Note	2015 £ 000	2014 £ 000
Amounts due to group undertakings	14	53	31
Accruals and deferred income		<u>-</u>	<u>1</u>
		<u>53</u>	<u>32</u>

Amounts owed to group undertakings are unsecured and are payable on demand. They bear interest at UK bank base rate.

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

11 Provisions for liabilities

	Legal proceedings £ 000	Total £ 000
At 1 January 2015	40	40
At 31 December 2015	40	40

The legal proceedings provision relates to a claim by an employee of a contractor working on site. The claim was settled during 2010 but further costs could be payable subject to an insurance claim. The provision is sufficient to settle the claim.

12 Pension and other schemes

Defined benefits - Wiggins Teape Pension Scheme

The Company is a participating employer in a defined benefit pension scheme, known as The Wiggins Teape Pension Scheme or "WTPS". The scheme is administered by independent trustees, who are responsible for ensuring that the plan is sufficiently funded to meet current and future obligations.

The WTPS closed to future accrual on 31 October 2010 with all active members being offered membership of the Antalis Pension Scheme (APS). No pension contributions have been paid into the WTPS since 2010, although deficit payments will still be required based on future schedules of contributions.

The assets of the WTPS are held in a separate trustee-administered fund and are valued regularly by the independent professionally qualified actuaries Aon Hewitt Limited. The company is unable to identify its share of the underlying assets and liabilities of the WTPS.

There is no contractual agreement for charging the costs of the WTPS, but these costs are normally borne by The Wiggins Teape Group Limited, the Company's immediate parent entity.

The fair value of the scheme's assets and the net present value of the liabilities for Arjo Wiggins UK participating companies, including the Company, as at 31 December 2015 were:

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Pension and other schemes (continued)

	Value at 31 December 2015 £m	Value at 31 December 2014 £m
Equities and diversified growth funds	65.5	140.4
Government bonds	166.5	439.3
Corporate bonds	-	70.4
FRS 102 value of insurance policy	330.6	-
Cash and cash equivalents	2.2	12.6
Fair value of assets	564.8	662.7
Net present value of liabilities	(495.9)	(545.1)
Net surplus before deferred tax impact	68.9	117.6

Full disclosure of the scheme is contained within the Annual Report and Financial Statements of The Wiggins Teape Group Limited. This report can be obtained from:
The Company Secretary
The Wiggins Teape Group Limited
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

13 Called up share capital

Allotted, called up and fully paid shares

	No. 000	2015 £ 000	No. 000	2014 £ 000
Ordinary shares of £1 each	92,260	92,260	92,260	92,260

14 Related party transactions

The Company is exempt from disclosing related party transactions as all transactions are with other companies that are wholly owned within the Sequana Group.

Arjo Wiggins Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

15 Parent and ultimate parent undertaking

The company's immediate parent is The Wiggins Teape Group Limited, incorporated in England.

The ultimate parent undertaking and controlling party is Sequana SA, a company incorporated in France, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of these financial statements are available upon request from

The Company Secretary

Sequana SA

19 avenue Montaigne

75008 Paris

16 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. There are no changes in profit for the financial year ended 31 December 2014 or the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.