ARJOWIGGINS

Arjobex Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

Registration number: 00826102

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Arjobex Limited

Contents

Arjobex Limited

Company Information

Directors	A Roussel I M Curtis
Company secretary	Eversecretary Limited
Registered office	10 Stephenson Road Gorse Lane Industrial Estate Clacton-on-Sea Essex CO15 4NS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Arjobex 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
The Company's principal activity continues to be the manufacturer of polyethylene based synthetic paper.

Fair review of the business
The Company has had a satisfactory year.The results show profits for the year after tax of £357,000 (2014: £593,000). The net asset position at the 31 December 2015 is £8,844,000 (2014: £8,487,000). The Directors believe that conditions remain challenging and expect no material change in the level of activity for the foreseeable future.

Given the straightforward nature of the business, the company's Directors are of the opinion that analysis using complex KPIs is not necessary for the understanding of the development, performance or position of the business. Therefore, they focus on monitoring and controlling the performance of turnover, gross margin and operating expenses.

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties are considered to relate to a significant downturn in the world market for polyethylene based synthetic paper and upward spiralling costs of raw materials to the production process.

UK Pension scheme deficit.
The Company participates in a UK defined benefit scheme with other UK group companies. The Company accounts for the scheme as a defined contribution scheme as it is unable to identify its share of the underlying assets and liabilities of the scheme as allowed by FRS 17. The independent pension scheme trustees calculated a significant deficit for the UK scheme in the 2012 valuation that is not in line with the calculation of a surplus under FRS17 at the end of 2013 and 2014. The 2012 valuation was finalised in June 2014 and the schedule of contributions and recovery plan were updated, details of which can be found in Note 18.

Approved by the Board on 26/4/16 and signed on its behalf by:

....
I M Curtis
Director

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 of the company who were in office during the year were and up to the date of signing of the financial statements were as follows:

A Roussel

I M Curtis

Results and dividends
The audited finanal statements for the year are set out on pages 8 to 28.

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 is exposed to a variety of financial risks that include credit risk, liquidity risk, interest rate risk, price risk and foreign exchange risk. These risks are managed jointly by the company's Directors and the Group's finance department.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company also monitors on a regular basis the overall credit afforded to customers.

Liquidity risk
The Directors regularly review the company's financial position and actively discuss matters with the parent company to ensure that there are sufficient funds available to continue in operational existence and meet liabilities as and when they fall due.

Interest rate risk
The company has both interest bearing assets and interest bearing liabilities as detailed within the notes to these financial statements. The Directors manage the cash flows associated with this risk as part of the company's ongoing forecasting and budgeting process.

Price risk
The company's exposure to price risk is minimal as a result of the nature of its operations. Hence given the size and nature of the company's operations, the costs of managing exposure to price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Foreign exchange risk
The company's exposure to foreign exchange risk is minimal as a result of the nature of its operations. Hence given the size and nature of the company's operations, the costs of managing exposure to foreign exchange risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

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

Research and development
The company continues to be involved in the development of synthetic paper products based on oriented polyethylene.

Going concern
The company meets its day-to-day working capital requirements through its group banking 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 existance for the foreseeable future. The company continues to adopt the going concern basis in preparing its financial statements.

Directors' insurance and indemnities
The Board of Directors have effected a Directors' and officers' liability insurance policy to indemnity the directors and officers of the Company against loss arising from any claim made against them, jointly or severally, by reason of any wrongful act in their capacity as director or officer of the Company. The insurance also covers the Company's loss when it is required or permitted to indemnify the directors or officers pursuant to the law, Common or Statutory, or Articles of Association. The cost of the insurance is met by the ultimate parent undertaking.
The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Directors' Report for the Year Ended 31 December 2015

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and financial statements (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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102).
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, including 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 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.

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 PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 26/4/16 and signed on its behalf by:

....
I M Curtis
Director

Independent Auditors' Report to the members of Arjobex Limited

Report on the financial statements

Our Opinion

In our opinion, Arjobex 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 Profit and Loss account for the year then ended:
- the Statement of Changes in Equity for the year then ended; and
- 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.

Independent Auditors' Report to the members of Arjobex 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 5, 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.

....

Mark Foster (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London

Date: 26/4/16

Arjobex Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	5	7,855	8,533
Cost of sales		(7,715)	(8,107)
Gross profit		140	426
Gain on financial assets at fair value	12	41	30
Other operating income		106	93
Operating profit	6	287	549
Interest receivable and similar income	7	75	44
		75	44
Profit on ordinary activities before taxation		362	593
Tax on profit on ordinary activities	10	(5)	-
Profit for the financial year		357	593

All amounts derive from continuing operations.
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.
There were no other recognised gains or losses for the current financial year except the profit for the financial year (2014: £nil). Accordingly no statement of comprehensive income has been prepared.

Arjobex Limited

(Registration number: 00826102)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Tangible assets	11	1,718	1,941
Investment properties	12	675	634
		2,393	2,575
Current assets			
Inventories	13	348	427
Debtors	14	7,161	6,635
Cash at bank and in hand		55	78
		7,564	7,140
Creditors: Amounts falling due within one year	16	(1,113)	(1,228)
Net current assets		6,451	5,912
Total assets less current liabilities		8,844	8,487
Net assets		8,844	8,487
Capital and reserves			
Called up share capital	19	2,000	2,000
Profit and loss account		6,844	6,487
Total equity		8,844	8,487

The financial statements on pages 8 to 28 were authorised for issue by the board of directors on ..26/4/16........ and signed on its behalf by:

....

I M Curtis
Director

Statement of Changes in Equity for the Year Ended 31 December 2015

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2015	2,000	6,487	8,487
Profit for the financial year	-	357	357
At 31 December 2015	2,000	6,844	8,844

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2014	2,000	5,894	7,894
Profit for the financial year	-	593	593
At 31 December 2014	2,000	6,487	8,487

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:
10 Stephenson Road
Gorse Lane Industrial Estate
Clacton-on-Sea
Essex
CO15 4NS

The principal place of business is:
10 Stephenson Road
Gorse Lane Industrial Estate
Clacton-on-Sea
Essex
CO15 4NS

2 Statement of compliance

The financial statements of Arjobex 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 23

Basis of preparation
These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss.

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.

3 Accounting policies (continued)

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.

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.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

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.

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.

3 Accounting policies (continued)

ii) Transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. All differences are taken to the profit and loss account.

Taxation
The tax expense for the period comprises current tax. Tax is recognised in profit or loss, 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 income tax is recognised on temporary 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets
Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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

Asset class	**Depreciation method and rate**
Freehold buildings	between 25 and 35 years
Plant and machinery	between 10 and 20 years
Fixtures and fittings	between 3 and 12 years

Leasehold properties are depreciated as for freehold properties, or over the period of the lease if less. Land is not depreciated.

Investment property
Investment property is carried at fair value. Revaluation surpluses are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

3 Accounting policies (continued)

Leased assets
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 profit or loss on a straight-line basis over the period of the lease.

Operating leased assets
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to profit and loss on a straight-line basis over the period of the lease.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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 using the effective interest method, 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.

Inventories
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. 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 profit or loss.

Trade payables
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

3 Accounting policies (continued)

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.

Defined benefit pension obligation
Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

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.

4 Critical accounting judgements and estimation uncertainty (continued)

a) Critical Judgements
The Company has elected to use previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 102. The items are being depreciated in accordance with the company's accounting policy.

b) 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.

i) Useful economic lives of tangible assets.
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives are amended when necessary to reflect current estimates, based on technological advance, future investments, economic utilisation and physical condition of the assets.

ii) Inventory provisioning.
The Company manufactures paper products and is subject to changes in consumer demand and technological advances. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory position, management considers the nature and condition of the inventory, as well as applying assumptions around the saleability of finished goods and future usage of raw materials.

iii) 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 Turnover

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

	2015 £ 000	2014 £ 000
Europe	7,855	8,533

Turnover is attributable to the manufacture of synthetic paper carried out in the United Kingdom and in the United States of America.

6 Operating profit

Operating profit is stated after charging/(crediting)

6 Operating profit (continued)

	2015 £ 000	2014 £ 000
Raw materials and consumables used	3,844	4,398
Employee benefits expense	2,196	2,138
Depreciation expense	330	327
Research and development cost	40	43
Foreign exchange gains	13	23
Operating lease expense - other	28	27
Loss on disposal of property, plant and equipment	70	-
Audit of the financial statements	26	25
Other operating costs	1,168	1,126
Operating Costs	7,715	8,107

7 Interest receivable and similar income

	2015 £ 000	2014 £ 000
Interest receivable from group undertakings	75	44

8 Staff costs

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

	2015 £ 000	2014 £ 000
Wages and salaries	1,764	1,727
Social security costs	188	185
Other pension costs	193	160
Pension costs, defined benefit scheme	3	29
Other employee expense	48	37
	2,196	2,138

The monthly average number of persons who are employed by a fellow group company, Arjo Wiggins Services Limited, but whose costs are recharged to the Company (excluding non-executive directors) during the year, analysed by category was as follows:

8 Staff costs (continued)

	2015 No.	2014 No.
Production	35	35
Administration and support	8	8
Sales	2	2
	45	45

9 Directors' remuneration

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 emoluments and benefits received by the directors' in their employment as managers of the company for the year was as follows:

	2015 £ 000	2014 £ 000
Remuneration	105	100
Contributions paid to money purchase schemes	10	10
	115	110

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	1	1

10 Tax on profit on ordinary activities

Tax charged/(credited) in the income statement

10 Tax on profit on ordinary activities (continued)

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	86	108
Group relief surrendered from fellow group undertakings for no consideration	(86)	(108)
UK corporation tax adjustment to prior years	5	-
	5	-

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

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit on ordinary activities before taxation	362	593
Corporation tax at standard rate of 20.25% (2014: 21.5%)	73	127
Expenses not deductible for tax purposes and other tax adjustments	3	13
Prior year adjustment - tax credit on Research and Development, credit receipt on 2013 written off	5	-
Fair value adjustment on investment property not taxable	(8)	(6)
Accerelated capital allowances	81	70
Group relief surrendered by other group companies for no consideration	(86)	(108)
Corporation tax relief due on the Company's share of a £5.0m (2014: £7.1m) payment made to the Wiggins Teape Pension Scheme and the Antalis Pension Scheme by a fellow group company	(63)	(96)
Total tax charge	5	-

Deferred tax

Unrecognised deferred tax balances at 31 December 2015 have been calculated using a rate of 20% as this was the rate enacted in law at the balance sheet date for the period after 1 April 2015 (see note 17).

Factors that may affect future tax charges

The standard rate of UK corporation tax changed from 21% to 20% on 1 April 2015. Further changes to the UK corporation tax rate were 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. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.The deferred tax assets and liabilities reflect these rates

11 Tangible assets

	Land and buildings £ 000	Fixtures and fittings £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation				
At 1 January 2015	1,304	767	9,743	11,814
Additions	-	81	95	176
Disposals	-	(78)	(1,225)	(1,303)
At 31 December 2015	1,304	770	8,613	10,687
Accumulated depreciation				
At 1 January 2015	733	685	8,455	9,873
Charge for the year	18	76	236	330
Eliminated on disposal	-	(70)	(1,164)	(1,234)
At 31 December 2015	751	691	7,527	8,969
Carrying amount				
At 31 December 2015	553	79	1,086	1,718
At 31 December 2014	571	82	1,288	1,941

12 Investment properties

	2015 £ 000	2014 £ 000
At 1 January	634	604
Fair value adjustments	41	30
At 31 December	675	634

In making the assessments reference has been made to the published data from the IPD (the Investment Property Databank) and CBRE (consultant Chartered Surveyors and investment property managers) tempered by local transaction data.

12 Investment properties (continued)

The investment property was valued by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, Hayman Wheaton FRICS, Fenn Wright. as at 31st December 2015, in accordance with the RICS Valuation - Professional Standards, Global and UK edition, January 2014 and, where relevant, the International Valuation Standards (IVS).

13 Inventories

	2015 £ 000	2014 £ 000
Raw materials and consumables	348	421
Finished goods and goods for resale	-	6
	348	427

14 Debtors

	2015 £ 000	2014 £ 000
Amounts owed by group undertakings	6,861	6,332
Other debtors	209	218
Prepayments and accrued income	91	85
	7,161	6,635

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

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.

15 Cash at bank and in hand

	2015 £ 000	2014 £ 000
Cash on hand	3	3
Cash at bank	52	75
	55	78

16 Creditors: Amounts falling due within one year

	2015 £ 000	2014 £ 000
Trade creditors	470	608
Amounts due to group undertakings	428	391
Taxation and social security	67	61
Other creditors	15	19
Accruals and deferred income	133	149
	1,113	1,228

Amounts owed to group undertakings are unsecured and repayable on demand.

17 Deferred tax and other provisions

As at 31 December 2015, the company had an unrecognised deferred tax asset of £330,000, all accelerated capital allowances (2014: £200,000). With the current level of uncertainty of trading conditions in the UK market and the possibility of group losses being surrendered to the company for no consideration for the foreseeable future, the timing of recovery of the asset is not sufficiently clear to justify the recognition of this amount.

No deferred tax has been provided on the revaluation of the investment property as capital losss are available in the group that would extinguish any capital gain in the sale of the property.

18 Pension and other schemes

18.1 Defined contribution pension scheme

The Company participates in a defined contribution pension plan called the Wiggins Teape Defined Contribution Plan (the "DC plan"). The DC plan is set up as a Group Personal Pension. The Company contribution in 2015 and 2014 was 12.2% for all employees who elected to join the DC plan in respect of company contributions, rather than accrue benefits in the APS. It is expected that the company contribution for 2016 onwards will be 12.2%. The 12.2% contribution includes a payment to provide life cover for members of the DC plan.Contributions to the DC plan in year amounted to £192,673 (2014 - £161,000).

18 Pension and other schemes (continued)

18.2 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:

	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

18 Pension and other schemes (continued)

18.3 Defined benefits - Antalis Pension Scheme

Arjo Wiggins Services Limited ("AWSL") is a participating employer of the Antalis Pension Scheme ("APS") and makes contributions at the rate of 12% of salary costs to the APS for all employees who elected to join the APS rather than the DC scheme, and recharges these costs to the Company. Contributions paid to the APS in the year amounted to £3,247 (2014: £30,540).

For FRS 102 disclosure purposes, an actuarial valuation of the APS has been performed by the independent professionally qualified actuary, KPMG LLP. 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:

Arjowiggins share of the Antalis Pension Scheme	**Value at 31 December 2015**	**Value at 31 December 2014**
Equities and diversified growth funds	58.8	58.0
Liability driven investments	41.3	47.6
Property	14.2	13.1
Cash	2.5	0.1
Fair value of assets	116.8	118.8
Net present value of liabilities	(98.5)	(102.6)
Net surplus before deferred tax impact	18.3	16.2

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

19 Called up share capital

Allotted, called up and fully paid shares

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	2,000	2,000	2,000	2,000

20 Obligations under leases and hire purchase contracts

Operating leases
The total of future minimum lease payments is as follows:

	2015 £ 000	2014 £ 000
Within one year	25	18
Within two and five years	34	24
	59	42

The amount of non-cancellable operating lease payments recognised as an expense during the year was £26,821 (2014 - £23,113).

21 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.

22 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

23 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. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

Under the previous UK GAAP, Investment Property was held at historic cost less accumulated depreciation. Under FRS 102 it has been restated to fair value. Accordingly at transition a fair value uplift of £187k was recognised in retained earnings, with a further fair value uplift of £30k being recognised through the P&L in 2014. Depreciation charged against the asset during 2014 has been reversed; decreasing the profit and loss account charge by £12k.

Balance Sheet at 1 January 2014

	As previously stated £ 000	Effect of transition £ 000	FRS 102 (as restated) £ 000
Fixed assets			
Tangible assets	1,976	-	1,976
Investment property	417	187	604
	2,393	187	2,580
Capital and reserves			
Called up share capital	2,000	-	2,000
Revaluation reserve	-	187	187
Profit and loss account	5,707	-	5,707
Total equity	7,707	187	7,894

23 Transition to FRS 102 (continued)

Balance Sheet at 31 December 2014

	As previously stated £ 000	Effect of transition £ 000	FRS 102 (as restated) £ 000
Fixed assets			
Tangible assets	1,941	-	1,941
Investment property	404	230	634
	2,345	230	2,575
Capital and reserves			
Called up share capital	2,000	-	2,000
Profit and loss account	6,445	42	6,487
Total equity	8,445	42	8,487

23 Transition to FRS 102 (continued)

Profit and Loss Account for the year ended 31 December 2014

	As previously stated £ 000	Effect of transition £ 000	FRS 102 (as restated) £ 000
Turnover	8,533	-	8,533
Cost of sales	(8,119)	12	(8,107)
Gross profit	414	12	426
Other operating income	93	-	93
Operating profit	507	12	519
Gain on financial assets at fair value through profit and loss account	-	30	30
Other interest receivable and similar income	44	-	44
	44	30	74
Profit before tax	551	42	593
Profit for the financial year	551	42	593