

Company Registration No. 01589762 (England and Wales)

**FIBERWEB
GEOSYNTHETICS LIMITED**

Report and Financial Statements

31 December 2012



FIBERWEB GEOSYNTHETICS LIMITED

COMPANY INFORMATION

Directors

D Dayan
K Miles (Appointed 03 June 2013)
N Hurt (Appointed 03 June 2013)

Company number

01589762

Registered office

Forsyth House
211-217 Lower Richmond Road
Richmond on Thames
London
TW9 4LN

Auditor

Deloitte LLP
London

Business address

Blackwater Trading Estate
The Causeway
Maldon
Essex
CM9 4GG

FIBERWEB GEOSYNTHETICS LIMITED

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FIBERWEB GEOSYNTHETICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the manufacture and sale of non woven geotextiles and extruded plastic net and printed film

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Turnover was £33,947,000 (period ended 31 December 2011 - £36,734,000) during the year and the loss before tax was £5,067,000 (period ended 31 December 2011 - £3,079,000)

On 6 January 2011 Fiberweb Geosynthetics Limited was purchased by Fiberweb plc

During the period ended 31 December 2011 the Company took on part of the trade and assets of Terram Limited and Tubex Limited, both also fully owned subsidiaries within the Fiberweb Group Under guidance in FRS 6, Acquisitions and Mergers, these transfers have been shown at net book value with no gain or loss occurring on transfer There have also been restructuring costs to achieve the integration of these businesses which have been incurred by Fiberweb Geosynthetics Limited See notes 3 and 24 for further details

Following this integration, the Company has invested in new machinery during 2012 to strengthen and grow the Geosynthetics arm of the business It is anticipated that this investment will significantly increase capacity, efficiency and quality of product and with the investment made in a new innovation centre in Maldon this will allow for research and development into further Geosynthetic solutions Furthermore, recent acquisition by the group of an Indian subsidiary operating in the spun bond Geosynthetics market offers a strategic manufacturing partner which will compliment the UK operation, and present a direct route into both existing and emerging markets in the Middle East and Asian region

The Geosynthetics business has been complemented by the Forestry and Horticulture Tubex branded business

DIVIDENDS

The Company did not pay a dividend for the financial year (period ended December 2011 – £75,000)

DIRECTORS

The current directors of the Company, with dates of appointment, are as shown on the company information page J Johnson resigned as director on 31 May 2013, J Warner resigned as director on 31 May 2013 and D Abrams resigned as director on 11 April 2012

GOING CONCERN

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company will be profitable in future periods However, the Company is in a net liability position and made a loss for the current financial year As a result, Fiberweb plc has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements The Directors have also assessed the ability of the parent company to provide that support

After making enquiries and considering the current economic uncertainty, the directors therefore have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements

FIBERWEB GEOSYNTHETICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk

Price risk

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

Credit risk

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

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

Cash flow risk

A significant proportion of the Company's turnover is to companies in countries outside the UK and, as such, the Company is exposed to movements in exchange rates. To protect cash flows against exchange rate risk, the Company enters into forward exchange contracts to hedge foreign exchange exposures on forecast receipts and payments.

The Company does not have any external loans other than hire purchase contracts. Interest rate risk stemming from Group loans is mitigated through regular review of cash flow forecasts and through loan repayments to limit the interest payable.

Liquidity risk

In order to maintain liquidity to ensure that there are sufficient funds available for ongoing operations and future developments, the Company uses short-term debt finance.

SUPPLIER PAYMENT POLICY

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Company at 31 December 2012 were equivalent to 54 days' (2011: 67 days') purchases, based on the average daily amount invoiced by suppliers during the year.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated their willingness to continue in office as the Company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

K Miles
Director
Date



30.9.2013

FIBERWEB GEOSYNTHETICS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIBERWEB GEOSYNTHETICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIBERWEB GEOSYNTHETICS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Fiberweb Geosynthetics Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

FIBERWEB GEOSYNTHETICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIBERWEB GEOSYNTHETICS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012

Matters on which we are required to report by exception

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



John Adam (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 30 September 2013

FIBERWEB GEOSYNTHETICS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	12 months ended 31 December 2012 £'000	18 months ended 31 December 2011 £'000
Turnover	2	33,947	36,734
Cost of sales		(29,641)	(27,004)
Gross profit		4,306	9,730
Administrative expenses		(9,192)	(12,669)
Other income	3	526	-
Operating loss	4	(4,360)	(2,939)
Interest payable and similar charges	8	(707)	(140)
Loss on ordinary activities before taxation		(5,067)	(3,079)
Tax on loss on ordinary activities	9	1,235	851
Loss for the period	20	(3,832)	(2,228)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses in the current year or the preceding period other than those passing through the profit and loss account

The accompanying notes form an integral part of this profit and loss account

FIBERWEB GEOSYNTHETICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	11	11,262	4,180
Intangible assets	12	15	-
Investments	13	21	21
		<u>11,298</u>	<u>4,201</u>
Current assets			
Stocks	14	6,188	4,436
Debtors	15	8,613	9,669
Cash at bank and in hand		286	1,342
		<u>15,087</u>	<u>15,447</u>
Creditors, amounts falling due within one year	16	(6,003)	(7,520)
Net current assets		<u>9,084</u>	<u>7,927</u>
Total assets less current liabilities		<u>20,382</u>	<u>12,128</u>
Creditors: amounts falling due after more than one year	17	(24,161)	(12,277)
Provisions for liabilities	18	(202)	-
Net liabilities		<u>(3,981)</u>	<u>(149)</u>
Capital and reserves			
Called up share capital	19	28	28
Share premium account	20	30	30
Profit and loss account	20	(4,039)	(207)
Shareholders' deficit	21	<u>(3,981)</u>	<u>(149)</u>

The accompanying notes form an integral part of this balance sheet

Approved by the Board and authorised for issue on 30.9.2013
They were signed on its behalf by

K Miles
Director



Company Registration No 01589762

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated) in the current year and prior period

During the year, the trade and assets of Terram Limited and Tubex Limited, two fully owned subsidiaries of the Fiberweb Group have been transferred to Fiberweb Geosynthetics Limited at net book value with no gain/loss arising on transfer. Please see the Directors' Report and note 24 for further details

In accordance with Section 401 of the Companies Act 2006, consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Fiberweb plc, a company incorporated in Great Britain which prepares consolidated financial statements. These financial statements present information about the company as an individual undertaking and not on its group

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' Report. The Directors' Report also describes the financial position of the Company, its cash flows, liquidity position and borrowing facilities, the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposure to credit risk and liquidity risk. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance and the current economic uncertainty, show that the Company will be profitable in future periods. However, the Company is in a net liability position and made a loss for the current financial year. As a result, Fiberweb plc has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. The Directors have also assessed the ability of the parent company to provide that support.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts. Turnover is recognised when goods have been successfully delivered to customers.

1.3 Research and development

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	Over the period of the lease
Plant and machinery	10% and 25% straight line
Motor vehicles	25% straight line

1.4 Goodwill and intangible assets

The company makes an assessment of the fair value of intangible assets arising on acquisition. An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably. Provision is made for any impairment.

Patents and trademarks are included at cost. Provision is made for any impairment. Amortisation is provided on the fair value of the asset, excluding goodwill, and is calculated on a straight-line basis over the following useful economic lives of the asset:

Patents and trademarks- 10 to 12 years

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies(continued)

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. In accordance with Financial Reporting Standard No 5, consignment stock is recognised as an asset on the balance sheet, together with a corresponding liability to the supplier. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.8 Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable. Differences between contributions payable and contributions paid are shown as either accruals or prepayments on the balance sheet.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively 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.

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Cash flow statement

Under the provisions of Financial Reporting Standard No 1 (revised), "Cash flow statements", the Company has not prepared a cash flow statement because the immediate parent undertaking, which is incorporated in England and Wales, has prepared consolidated financial statements which are publicly available and which include the financial statements of this Company and contain a cash flow statement.

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 Turnover

Geographical market

	Turnover	
	12 months	18 months
	2012	2011
	£'000	£'000
United Kingdom	17,613	20,359
Europe	11,199	10,300
Rest of the World	5,135	6,075
	<u>33,947</u>	<u>36,734</u>

3 Other income

	12 months	18 months
	2012	2011
	£'000	£'000
Scrap sales	245	-
Compensation	<u>281</u>	<u>-</u>
	<u>526</u>	<u>-</u>

4 Operating loss

	12 months	18 months
	2012	2011
	£'000	£'000
Operating loss is stated after charging		
Depreciation of tangible assets	709	1,186
Payments to group companies	-	6,501
Impairment of intercompany loan receivables	-	153
Impairment of goodwill (note 12)	-	161
Impairment of investments (note 13)	-	120
Research and development	584	258
Operating lease rentals		
- Plant and machinery	141	67
- Other assets	1,100	740
Fees payable to the Company's auditors for the audit of the Company's annual accounts	30	37
(Gain)/loss on foreign exchange transactions	<u>(328)</u>	<u>140</u>

Payments to group companies relate to recharges due to fellow group companies Terram Limited and Tubex Limited to re-imburse those entities for costs incurred on behalf of the Company, the most significant of which relate to employees and lease costs. In the prior period these costs included restructuring and redundancy costs as a result of the integration of the Group and the announced closure of the Pontypool site owned by Terram Limited.

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5 Directors' remuneration

	12 months 2012 £'000	18 months 2011 £'000
Remuneration for qualifying services	310	534
Company pension contributions to defined contribution schemes	14	30
	<u>324</u>	<u>564</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	184	270
Company pension contributions to defined contribution schemes	14	17
	<u>198</u>	<u>287</u>

6 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	12 months 2012 Number	18 months 2011 Number
Production	184	61
Administration	60	38
	<u>244</u>	<u>99</u>

7 Employment costs

	12 months 2012 £'000	18 months 2011 £'000
Wages and salaries	6,684	4,266
Social security costs	748	448
Other pension costs	97	111
	<u>7,529</u>	<u>4,825</u>

The difference between the pension contributions payable and contributions paid in the year has been recorded as an accrual of £9,826 (2011 £16,000)

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

8 Interest payable

	12 months 2012 £'000	18 months 2011 £'000
Hire purchase interest	31	50
Bank interest	13	17
Interest on group loans	663	73
	<u>707</u>	<u>140</u>

9 Taxation

	12 months 2012 £'000	18 months 2011 £'000
Current taxation		
U K corporation tax at 24.5% (2011: 26.5%)	-	(280)
Adjustment for prior years	-	57
Current tax credit	-	(223)
Deferred tax		
Deferred tax credit current period	<u>(1,235)</u>	<u>(628)</u>
	<u>(1,235)</u>	<u>(851)</u>

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 Taxation (continued)

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	12 months £'000	18 months £'000
Loss on ordinary activities before tax	(5,067)	(3,079)
Tax on loss on ordinary activities before tax at 24.5% (2011 – 26.5%)	(1,241)	(816)
Factors affecting charge for the period		
Expenses not deductible for tax purposes	6	33
Capital allowances in excess of depreciation	(275)	183
Adjustment in respect of prior years	-	57
Losses carried forward	1,510	320
Current tax credit for the period	-	(223)

The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015. As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

We estimate that the future rate change to 20% would further reduce our UK deferred tax asset recognised at 31 December 2012 from £783,000 to £681,000. The actual impact will be dependent on our deferred tax position at that time.

10 Dividends

	12 months 2012 £'000	18 months 2011 £'000
Ordinary interim paid - £nil (2011 - £2.64 per share)	-	75

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

11 Tangible fixed assets

	Land and buildings leasehold £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 December 2011	142	6,739	25	6,906
Additions	158	7,093	-	7,251
Transferred from group companies	35	482	23	540
At 31 December 2012	<u>335</u>	<u>14,314</u>	<u>48</u>	<u>14,697</u>
Depreciation				
At 31 December 2011	71	2,634	21	2,726
Charge for the period	19	688	2	709
At 31 December 2012	<u>90</u>	<u>3,322</u>	<u>23</u>	<u>3,435</u>
Net book value				
At 31 December 2012	<u>245</u>	<u>10,992</u>	<u>25</u>	<u>11,262</u>
At 31 December 2011	<u>71</u>	<u>4,105</u>	<u>4</u>	<u>4,180</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Net book values			
At 31 December 2012	<u>495</u>	<u>1</u>	<u>496</u>
At 31 December 2011	<u>587</u>	<u>3</u>	<u>590</u>
Depreciation charge for the period			
At 31 December 2012	<u>92</u>	<u>2</u>	<u>94</u>
At 31 December 2011	<u>106</u>	<u>8</u>	<u>114</u>

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

12 Intangible fixed assets

	Patents, Trademarks & Patents £'000	Goodwill £'000	Total £'000
Cost or valuation			
At 31 December 2011	4	161	165
Additions	3	12	15
At 31 December 2012	<u>7</u>	<u>173</u>	<u>180</u>
Amortisation/impairment			
At 31 December 2011	4	161	165
Impairment for the period	-	-	-
At 31 December 2012	<u>4</u>	<u>161</u>	<u>165</u>
Net book value			
At 31 December 2012	<u>3</u>	<u>12</u>	<u>15</u>
At 31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

13 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 31 December 2011	716
Additions	-
At 31 December 2012	716
Provisions for diminution in value	
At 31 December 2011	695
Charge for the period	-
At 31 December 2012	695
Net book value	
At 31 December 2012	21
At 31 December 2011	21

Fiberweb Geosynthetics Limited holds shares in the following entities

Entity	Country of Incorporation	Percentage held	Business
Acorn Planting Products Limited	United Kingdom	100%	Dormant
Fiberweb Geosynthetics GmbH	Germany	100%	Trading

14 Stocks and work in progress

	2012 £'000	2011 £'000
Raw materials and consumables	2,106	1,109
Work in progress	72	109
Finished goods and goods for resale	4,010	3,218
	<u>6,188</u>	<u>4,436</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

15 Debtors

	2012 £'000	2011 £'000
Trade debtors	4,160	6,547
Amounts owed by group companies	1,076	897
Other debtors	587	801
Prepayments and accrued income	772	641
Deferred tax asset (See note 18)	2,018	783
	<u>8,613</u>	<u>9,669</u>

The amounts owed by group undertakings are repayable on demand and subject to no interest

16 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loans and overdrafts	-	1,124
Amounts owed to group companies	1,016	-
Net obligations under hire purchase contracts	42	249
Trade creditors	4,388	5,224
Other taxes and social security costs	196	245
Other creditors	13	15
Accruals and deferred income	348	663
	<u>6,003</u>	<u>7,520</u>

Hire purchase and finance creditors are secured against the assets to which they relate

17 Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	24,161	12,247
Net obligations under hire purchase contracts	-	30
	<u>24,161</u>	<u>12,277</u>

The amounts owed to group undertakings incur interest at 6 12% and is repayable on demand

Net obligations under hire purchase contracts

Repayable within one year	<u>42</u>	<u>249</u>
Repayable between one and five years	<u>-</u>	<u>30</u>
	42	279
Included in liabilities falling due within one year	<u>(42)</u>	<u>(249)</u>
	-	30

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Provisions for liabilities

	Capital grant £'000	Restructuring provision £'000	Deferred tax liability £'000
Balance at 31 December 2011	-	-	33
Transferred from group company	20	653	-
Utilised/released to profit and loss account	(6)	(465)	-
Balance at 31 December 2012	<u>14</u>	<u>188</u>	<u>33</u>

A deferred tax asset of £783k was recognised in the prior year made up of £320,000 losses carried forward and £496k asset transferred from Terram Limited along with the trade and assets to which it related. A further deferred tax asset of £1,235,000 has been recognized in the year. This has been offset by a deferred tax liability of £33k described above. The asset is considered recoverable on the grounds that sufficient profits are forecast to use the tax losses within the foreseeable future.

The net deferred tax asset is made up as follows

	2012 £'000	2011 £'000
Losses carried forward	1,830	320
Accelerated capital allowances	<u>188</u>	<u>463</u>

19 Share capital

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
28,461 Ordinary shares of £1 of each	<u>28</u>	<u>28</u>

20 Statement of movements on reserves

	Share premium account £'000	Profit and loss account £'000
Balance at 31 December 2011	30	(207)
Loss for the year	-	(3,832)
Balance at 31 December 2012	<u>30</u>	<u>(4,039)</u>

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

21 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Loss for the financial period	(3,832)	(2,228)
Dividends	-	(75)
Net reduction in shareholders' funds	(3,832)	(2,303)
Opening shareholders' deficit/funds	(149)	2,154
Closing shareholders' deficit	(3,981)	(149)

22 Financial commitments

At 31 December 2012 the Company was committed to making the following payments under non-cancellable operating leases in the period to 31 December 2012

	Land and buildings		Other	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Operating leases which expire				
Within one year	161	38	132	91
1 - 2 years	-	-	26	-
Between two and five years	-	37	55	69
In over five years	849	451	-	-
	1,010	526	213	160

23 Capital commitments

	2012 £'000	2011 £'000
At 31 December 2012 the Company had capital commitments as follows		
Contracted for but not provided in the financial statements	33	4,663

FIBERWEB GEOSYNTHETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

24 Acquisition of trade and assets

In the prior year, the Company took transfer of part of the trade and assets of Terram Limited with a book value of £3.7 million with effect from 1 March 2011. The fair value of the trade and assets transferred also totals £3.7 million. The Company also took transfer of part of the trade and assets of Tubex Limited with a book value of £1.2 million with effect from 1 November 2011. The fair value of the trade and assets transferred totals £5.4m. On 1 January 2012 the company took transfer of the remaining trade and assets of Tubex Limited. The fair value of the remaining trade and assets transferred totals £0.8m.

Under FRS6, Acquisitions and Mergers, because these transfers are part of a Group restructuring of companies that are all fully owned by the same ultimate parent company, merger accounting has been used and transfers have been deemed to happen at net book value with no gain or loss occurring on transfer and with no recognition of any differences between market value and net book value. The following assets and liabilities were acquired by the Company as a result of the business transfers:

Book value	Terram Limited	Tubex Limited 1 Nov 2011	Tubex Limited 1 Jan 2012
	£'000	£'000	£'000
Tangible assets	431	-	-
Intangible assets	-	4	540
Stocks	1,433	424	-
Debtors	3,960	1,490	-
Cash	-	-	329
Creditors amounts falling due within one year	(2,143)	(663)	(295)
Provisions for liabilities	-	(21)	(57)
Net assets transferred	<u>3,681</u>	<u>1,234</u>	<u>517</u>

25 Ultimate parent company

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary of Fiberweb plc, which prepares consolidated financial statements which are publicly available.

At the period end, the ultimate holding company and ultimate controlling party was Fiberweb plc, a company registered in England and Wales. The financial statements of Fiberweb plc are available to the public and may be obtained from Forsyth House, 211-217 Lower Richmond Road, Richmond on Thames, London TW9 4LN.

26 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.