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COURTAULDS CHEMICALS (HOLDINGS) LIMITED

REPORT AND FINANCIAL STATEMENTS 1996



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COURTAULDS CHEMICALS (HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS 1996

COMPANY REGISTERED NO 217201

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements for the year ended 31 March 1996.

Principal Activities

The Company is a wholly owned subsidiary undertaking of Courtaulds plc. The principal activity of the Company during the year was the processing of chemicals.

Results and Dividend

The profit and loss account and balance sheet, together with appropriate notes, are set out on pages 7 to 17. Interim dividends of £30,000,000 (1995 : £40,000,000) were paid on the Company's Ordinary Shares in March 1996 and the Directors do not propose a Final Dividend.

Review of Business

The Company's sales have increased by 9.4% as a result of improved performance in a number of market sectors as well as the need to recover raw material price increases. This has been achieved as operating margins are unchanged from last year.

Movement in Fixed Assets

The movement in fixed assets is shown in Note 6 on page 12.

Directors

The Directors, all of whom served throughout the year, are:

J A Bednall
G A Campbell
P L Rogers
P Shanley

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS (continued)

Directors' Interests

The register kept by the Company in accordance with Section 325 of the Companies Act 1985 shows that the Directors and their immediate families had the following beneficial interests in the share capital of the ultimate parent Company, Courtaulds plc:

Courtaulds plc Ordinary Shares of 25p		
	<u>1 April 1995</u>	<u>31 March 1996</u>
J A Bednall	1,437	2,881
P L Rogers	-	2,656
P Shanley	-	-

Courtaulds plc Executive Share Option Scheme			
	<u>1 April 1995</u>	<u>Granted</u>	<u>Exercised</u>
J A Bednall	19,000	-	-
P L Rogers	25,000	-	-
P Shanley	55,000	-	-

Courtaulds plc SAYE Share Option Scheme			
	<u>1 April 1995</u>	<u>Granted</u>	<u>Exercised</u>
J A Bednall	5,674	2,827	3,985
P L Rogers	5,492	1,885	2,656
P Shanley	2,493	942	-

Courtaulds plc Long Term Incentive Scheme		
	<u>1994 Award</u>	<u>1995 Award</u>
J A Bednall	-	3,500
P L Rogers	-	13,800
P Shanley	11,500	13,000

Notes:

- Executive Share Option Scheme - The table shows the number of shares over which options were granted pursuant to the Courtaulds Executive Share Option Scheme II between August 1988 and June 1994 at prices per share between 340p and 555p and which are exercisable, in general, between three and ten years after the date of grant.
- SAYE Share Option Scheme - The table shows the number of shares over which options were granted pursuant to the Courtaulds 1990 Savings-Related Share Option Scheme between April 1990 and June 1995 at prices per share between 271p, and 444p and which are exercisable on completion of five years' saving under a related SAYE contract.

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS (continued)

- c) Long Term Incentive Scheme - The table shows the maximum number of shares which each Director may receive pursuant to the Courtaulds Long Term Incentive Scheme ("the LTIS") in respect of three-year measurement periods commencing on 1 April of the years shown. Participants in the LTIS are awarded conditional rights to receive specified maximum numbers of Ordinary shares of 25p each in Courtaulds plc by reference to their salaries and to the average share price during the preceding financial year. The number of shares ultimately received (if any) depends on performance during the 3 year measurement period, as measured by comparing the total shareholder return from Courtaulds shares with the return from shares in each of the other companies that were in the FT-SE 100 index at the beginning of the measurement period. Once the number of shares each participant may receive has been determined, he is granted a zero-value option exercisable not less than 2 years, and not more than 4 years, after the end of the measurement period. The shares to satisfy these options will be provided by the Courtaulds Employee Benefit Trust, which purchases shares in the market for this purpose, and in which each Director can therefore be deemed to have an interest.
- d) The beneficial interests of G A Campbell, being a Director of Courtaulds plc, are not disclosed in accordance with the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985.

Employment of Disabled Persons

Where individuals become disabled whilst in the Company's employ, every reasonable effort is made to provide opportunity for continued employment within the potential aptitude and ability of the person concerned, and to provide such facilities, including any appropriate training, as may be necessary for that purpose. In dealing with application for employment and the training, career development and promotion of existing employees, efforts are made to ensure that a disabled individual's potential aptitude and ability are considered both without prejudice and as constructively as possible in relation to the opportunities available.

Employee Involvement

A system of departmental and works consultative committees exists in all factories. The Company also provides information regarding the financial and economic factors affecting its performance in the annual report, to employees of Courtaulds plc.

Directors' Responsibilities for Preparing the Financial Statements

The Companies Act 1985 requires the Directors to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Company at the end of that year, and of the profit for the year to that date. In preparing the financial statements, the Directors are also required:

- to select suitable accounting policies and apply them consistently, supported as appropriate by reasonable and prudent judgements and estimates;
- to state when applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- to prepare the financial statements on the going concern basis.

The Directors consider that they have complied fully with the above requirements in preparing the financial statements on pages 7 to 17.

The Directors also have responsibility for:

- keeping appropriate accounting records which disclose with reasonable accuracy the financial position of the Company at anytime;
- taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Secretary and Registered Office

D A Stevens, 50 George Street, London W1A 2BB

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors

Price Waterhouse, Victoria House, 76 Milton Street, Nottingham NG1 3QY

An elective resolution has been passed in accordance with Section 386 of the Companies Act 1985, as amended, dispensing with the requirement to appoint auditors on an annual basis. The Directors have been granted power to fix the remuneration of the auditors.

Payment of suppliers

The company has a general policy is to pay suppliers in accordance with the contract terms agreed with them or, in the absence of such contract terms, in accordance with the company's own standard terms of trading, provided circumstances permit this and that the supplier is also complying with all relevant terms and conditions.

By Order of the Board



D A Stevens
Secretary
50 George Street
London
W1A 2BB

19 April 1996

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective Responsibilities of Directors and Auditors

As described on page 4 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE

Chartered Accountants
and Registered Auditors

Nottingham
19 April 1996

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED 31 MARCH

	Note	1996 <u>£'000</u>	1995 <u>£'000</u>
Turnover	1	218,823	200,020
Cost of sales		<u>(170,535)</u>	<u>(156,960)</u>
GROSS PROFIT		48,288	43,060
Selling and distribution expenses		(6,567)	(5,892)
Administrative expenses		(8,804)	(7,181)
Other operating income		<u>1,892</u>	<u>417</u>
OPERATING PROFIT		34,809	30,404
Dividend received from subsidiary		243	300
Interest	2	<u>(3,383)</u>	<u>(720)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	31,669	29,984
Taxation	4	<u>(438)</u>	<u>36</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31,231	30,020
DIVIDENDS	5	<u>(30,000)</u>	<u>(40,000)</u>
Transfer to/(from) reserves	15	<u>1,231</u>	<u>(9,980)</u>

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

BALANCE SHEET AS AT 31 MARCH

	Note	1996 £'000	1995 £'000
FIXED ASSETS			
Tangible Assets	6	115,958	106,551
Investments	8	<u>6,258</u>	<u>1,861</u>
		122,216	108,412
CURRENT ASSETS			
Stocks	9	15,120	14,973
Debtors	10	34,248	38,692
Cash		<u>15</u>	<u>22</u>
		49,383	53,687
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	11	<u>(85,034)</u>	<u>(74,689)</u>
NET CURRENT LIABILITIES		<u>(35,651)</u>	<u>(21,002)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		86,565	87,410
Provisions for liabilities and charges	12	<u>(100)</u>	<u>(2,654)</u>
		<u>86,465</u>	<u>84,756</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Revaluation reserve	15	2,884	3,238
Profit and loss account	15	<u>33,581</u>	<u>31,518</u>
		<u>86,465</u>	<u>84,756</u>

Approved by the Board on 19 April 1996

J A Bednall

Director



COURTAULDS CHEMICALS (HOLDINGS) LIMITED

<u>Statement of Total Recognised Gains and Losses</u>	1996 <u>£'000</u>	1995 <u>£'000</u>
Profit attributable to shareholders and total recognised gains and losses for the financial year	31,231	30,020
Unrealised Revaluation surplus during financial year	478	-
	<u>31,709</u>	<u>30,020</u>
 <u>Note of Historical Cost Profits and Losses</u>	 1996 <u>£'000</u>	 1995 <u>£'000</u>
Profit before taxation	31,669	29,984
Difference between historical cost depreciation and actual depreciation charge calculated on the revalued amount	160	191
Historical cost Profit before Tax	<u>31,829</u>	<u>30,175</u>
Historical cost Retained Profit	<u>1,391</u>	<u>(9,789)</u>
 <u>Movement in Shareholders' Funds</u>	 1996 <u>£'000</u>	 1995 <u>£'000</u>
Profit for the financial year	31,231	30,020
Dividends	(30,000)	(40,000)
Goodwill written back	-	75
Revaluation Surplus in Year	478	-
Opening Shareholders' Funds	<u>1,709</u> <u>84,756</u>	<u>(9,905)</u> <u>94,661</u>
Closing Shareholders' Funds	<u>86,465</u>	<u>84,756</u>

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

Turnover is the total amount of sales invoiced to customers, net of value added tax.

Foreign currencies

Foreign currency assets and liabilities have been translated into sterling at the market rates at 31 March 1996 subject to forward cover contracts. Exchange differences arising on transactions during the year are dealt with through the profit and loss account.

Tangible assets and depreciation

Tangible assets are stated at cost or at revalued amounts on an open market existing use basis. Depreciation is calculated on a straight line basis so as to write-off the cost or revalued amount of the various assets over the period of their expected useful lives. The rates of depreciation vary generally between 5% and 10% on buildings and 6.67% and 20% on plant and equipment.

Investments

Investments in subsidiaries and associated companies are stated at cost less provision for permanent diminution in value.

Stock valuation

Stocks are stated at the lower of cost and net realisable value. Cost includes factory overheads.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Acquisitions and goodwill

The results of companies acquired and disposed of during the year are dealt with from/to the effective date of acquisition/disposal. The net assets of companies acquired are incorporated in the accounts at their fair values after making adjustments to reflect the alignment of accounting policies where the accounting policies of acquired companies would otherwise be inconsistent with those of the Company. Goodwill on acquisition is eliminated from the balance sheet directly against reserves.

Finance leases

Assets acquired under finance leases are recorded in the balance sheet as fixed tangible assets at their equivalent capital value and depreciated over the useful life of the asset. The corresponding liability is recorded as a loan creditor and the interest element of the finance charge is charged to the profit and loss account over the lease period.

Pensions

Contributions to the Courtaulds plc Group pension schemes are assessed by a qualified actuary based on the cost of providing pensions across all participating Courtaulds Group companies. Costs are not determined for each individual Company hence contributions are charged to the profit and loss account in the period in respect of which they become payable.

Deferred Taxation

Deferred Taxation is provided only in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that there is a reasonable probability that such deferred taxation will be payable within the foreseeable future after taking into account the availability of Group Relief.

Investments

Investments in subsidiaries and associated companies are stated at cost less provision for permanent diminution in value.

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Exports

All exports are made on an agency basis through the subsidiary company Courtaulds Exports Limited.

2. Interest

	1996 £'000	1995 £'000
Interest on bank and other borrowings fully repayable within five years.	<u>(3,383)</u>	<u>(720)</u>

3. Profit on Ordinary Activities before Taxation

	1996 £'000	1995 £'000
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Profit is stated after charging/(crediting) the following amounts:

Wages and salaries	40,635	36,886
Social security costs	2,566	2,424
Operating lease rentals - plant and machinery	1,873	1,403
Depreciation on leased assets	21	658
Depreciation on owned assets	12,087	9,788
Auditors' fees and expenses	57	57
Rental income	386	417
Research and development	3,294	2,586
Directors' remuneration (note 19)	230	191
Loss on disposal of fixed assets	<u>1,685</u>	<u>447</u>

Profit on ordinary activities before taxation is stated after the following (credits)/charge for reorganisation costs (note 12)

<u>(1,506)</u>	<u>2,245</u>
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4. Corporation Tax

	1996 £'000	1995 £'000
Corporation Tax at 33%	1,186	253
ACT surrendered by Holding Companies	(719)	(167)
Deferred Tax	166	(122)
Prior Year Credits	<u>(195)</u>	<u>-</u>
	<u>438</u>	<u>(36)</u>

5. Dividends

	1996 £'000	1995 £'000
Ordinary Share Dividend - paid	<u>30,000</u>	<u>40,000</u>

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. <u>Tangible Assets</u>	Land & Buildings	Plant & Machinery	Fixtures fitting tools & Equipment	Capital work in progress	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>At Cost or Valuation</u>					
At 1 April 1995	16,009	171,603	2,780	17,997	208,389
Additions	-	-	-	23,500	23,500
Assets transferred to group companies	(350)	(18)	(81)	-	(449)
Disposals	(351)	(9,756)	(113)	-	(10,220)
Reclassification	2,139	21,290	574	(24,003)	-
Revaluation	(1,729)	-	-	-	(1,729)
At 31 March 1996	<u>15,718</u>	<u>183,119</u>	<u>3,160</u>	<u>17,494</u>	<u>219,491</u>
<u>Depreciation</u>					
At 1 April 1995	1,578	98,729	1,531	-	101,838
Accumulated depreciation on assets transferred to group companies	-	(11)	(42)	-	(53)
Charge for year	1,198	10,646	264	-	12,108
Disposals	(248)	(7,792)	(113)	-	(8,153)
Revaluation	(2,207)	-	-	-	(2,207)
At 31 March 1996	<u>321</u>	<u>101,572</u>	<u>1,640</u>	<u>-</u>	<u>103,533</u>
<u>Net Book Amount</u>					
At 31 March 1996	<u>15,397</u>	<u>81,547</u>	<u>1,520</u>	<u>17,494</u>	<u>115,958</u>
At 1 April 1995	<u>14,431</u>	<u>72,874</u>	<u>1,249</u>	<u>17,997</u>	<u>106,551</u>

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Tangible Assets (continued)

Assets held under finance leases are included in plant and machinery at a cost of £9,659,000 (1995 £9,659,000) and accumulated depreciation £9,658,000 (1995 £9,635,000)

During 1995/96, land and buildings were revalued by the Directors on an open market existing use basis. This valuation was carried out by the Ultimate Holding Company's professionally qualified staff and supported by external professional valuations of a large sample of the properties.

If the amount of these revalued assets had been determined in accordance with the historic cost convention at 31 March 1996, they would have been included at:

	£'000
Cost	26,963
Depreciation	(14,450)
	<u>12,513</u>

7. <u>Land and Buildings</u>	1996	1995
	<u>£'000</u>	<u>£'000</u>

The net book value of land and buildings comprises:

Freehold	15,397	14,431
Long Leasehold	-	-
	<u>15,397</u>	<u>14,431</u>

8. <u>Fixed Asset Investments</u>	Associated Companies	Subsidiary Companies	Total Investments
	£'000	£'000	£'000
<u>Cost</u>			
At 31 March 1996	4,902	1,456	6,358
At 1 April 1995	<u>505</u>	<u>1,456</u>	<u>1,961</u>
<u>Provision</u>			
At 31 March 1996	(100)	-	(100)
At 1 April 1995	<u>(100)</u>	<u>-</u>	<u>(100)</u>
<u>Net Book Amount</u>			
At 31 March 1996	4,802	1,456	6,258
At 1 April 1995	<u>405</u>	<u>1,456</u>	<u>1,861</u>

Additions during the year comprised shareholder loans to Derwent Co-Generation Limited (see note 24).

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9.	<u>Stocks</u>	1996 £'000	1995 £'000
	Raw materials and consumables	6,484	5,810
	Work in progress	2,636	1,870
	Finished goods and goods for resale	6,000	7,293
		<u>15,120</u>	<u>14,973</u>
10.	<u>Debtors</u>	1996 £'000	1995 £'000
	Trade debtors	26,513	7,762
	Amounts owed by parent company and other Group undertakings	5,389	27,506
	Other debtors	1,696	1,901
	Prepayments and accrued income	643	1,350
	Deferred tax (note 13)	7	173
		<u>34,248</u>	<u>38,692</u>
	There are no debtors due after more than one year		
11.	<u>Creditors (amounts falling due within one year)</u>	1996 £'000	1995 £'000
	Bank overdraft	47,773	38,342
	Trade creditors	24,742	24,535
	Amounts owed to parent company and other Group undertakings	3,890	2,598
	Other taxation and social security	232	2,149
	Other creditors	8,014	6,493
	Accruals and deferred income	-	522
	Corporation tax	383	50
		<u>85,034</u>	<u>74,689</u>
12.	<u>Provisions for Liabilities and Charges</u>		
	Reorganisation Provision	£'000	
	As at 1 April 1995	2,654	
	Utilised during the year	(2,304)	
	Released in the year	(250)	
	As at 31 March 1996	<u>100</u>	

During the year £250,000 of the provision has been released to operating profit. There have also been credits of £1,256,000 in respect of the sale of business assets which has been included with operating profit.

13. Deferred Tax

The Company's taxation charge has benefited from the effects of capital allowances and certain other timing differences which amount to £2,243,000.

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13.	<u>Deferred Tax (continued)</u>	1996 £'000	1995 £'000
	The deferred taxation in the balance sheet represents		
	Accelerated capital allowances	-	-
	Short term timing differences	7	173
		<u>7</u>	<u>173</u>
	If deferred taxation had been provided in full the balance would have been:		
		1996 £'000	1995 £'000
	Accelerated capital allowance	13,000	11,403
	Short term timing differences	(123)	(841)
		<u>12,877</u>	<u>10,562</u>
	No provision has been made for the deferred tax liability that could arise if revalued assets were sold at their revalued amount, as there is no intention to dispose of these assets.		
14.	<u>Share Capital</u>	1996 £'000	1995 £'000
	Authorised:		
	Ordinary Shares of £1 each	<u>65,000</u>	<u>65,000</u>
	Issued and Fully Paid		
	Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>
15.	<u>Reserves</u>	Profit & Loss Account £'000	Revaluation Reserve £'000
	At 1 April 1995	31,518	3,238
	Profit for the year	1,231	-
	Release from revaluation reserve	832	(832)
	Revaluation	-	478
	At 31 March 1996	<u>33,581</u>	<u>2,884</u>
16.	<u>Capital Commitments</u>	1996 £'000	1995 £'000
	Capital expenditure contracted for, but not provided in the accounts	<u>9,251</u>	<u>2,492</u>
	Capital expenditure authorised, but not contracted for	<u>18,381</u>	<u>4,084</u>

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17.	<u>Operating Leases - Plant and Machinery</u>	1996 £'000	1995 £'000
	Annual commitments payable under non-cancellable leases expiring:		
	Within one year	154	47
	In two to five years	881	466
	In five years or more	-	43
		<u>1,035</u>	<u>556</u>

There are no obligations under finance leases.

18. Employees

The average number of persons employed during the year all of whom were employed in the UK was:

1996	1995
<u>1,842</u>	<u>1,974</u>

19. Remuneration of Directors

	1996	1995
Highest paid Director	<u>£161,031</u>	<u>£96,565</u>
Other Directors	No	No
0	2	2
£25,000	-	1
£60,000	-	1
£65,000	1	-

The Directors' shareholdings and options are declared in the report of the Directors. No Director performed the role of Chairman during the year.

20. Cash Flow Statement

The ultimate parent Company Courtaulds plc has included a cash flow statement in its financial statements for the year ended 31 March 1996. Under paragraph 8 (c) of Financial Reporting Standard 1, no cash flow statement is required in the financial statements of the Company.

21. Pension Commitments

The Company participates in the main Courtaulds UK Pension Scheme, a defined benefit scheme which makes available pension benefits to the majority of the Courtaulds Group UK employees, and pension costs are based on pension costs across the Courtaulds Group as a whole. The main Courtaulds UK Pension Scheme, which makes benefits available to the majority of the Group's UK employees, was valued by independent actuaries as at 31 March 1996. Particulars of the actuarial valuation of the scheme are shown in the financial statements of Courtaulds plc.

COURTAULDS CHEMICALS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Transactions with Directors

No Director during the year has had a material interest in any contract with the Company.

23. List of Subsidiary Undertakings

Proportion of Ordinary
Share Capital Held

Courtaulds Exports Limited
Textrade Limited

100%
100%

The subsidiary undertakings are incorporated and registered in England and Wales. Textrade Limited is dormant and Courtaulds Exports Limited is engaged in the provision of export services for man-made fibres and associated chemicals and plastics.

24. List of Associated Undertakings

Proportion of Ordinary
Share Capital Held

PT Chemicals Limited
Derwent Co-Generation Limited

25.0%
17.5%

The associated undertakings are registered in England and Wales. PT Chemicals Limited is dormant and Derwent Co-Generation Limited is engaged in the operation of a gas turbine combined heat and power station. The power station was commissioned on 1 May 1995. On 4 May 1995 and 23 January 1996 Courtaulds Chemicals (Holdings) Limited made further shareholder loans of £4,252,500 and £144,900 respectively to Derwent Co-Generation Limited. The investment in Derwent Co-Generation Limited as at 31 March 1996 is £4,802,361.

25. Ultimate Parent Company

Courtaulds Chemicals (Holdings) Limited is 50% owned by Courtaulds Management Services Limited and 50% owned by Courtaulds Investments Services Limited who in turn are wholly owned subsidiary undertakings of Courtaulds plc which is registered in England and Wales and is the only Company to prepare Group accounts. As the Company is a wholly owned subsidiary undertaking of Courtaulds plc, it is exempt under section 228(2) of the Company's Act 1985 from preparing Group accounts. Copies of the Courtaulds plc Group Report and Accounts may be obtained from the Secretary's Office, Courtaulds plc, 50 George Street, London W1A 2BB.