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VITA INTERNATIONAL LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1984



VITA INTERNATIONAL LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 31 December 1984.

The Company is a wholly-owned subsidiary of British Vita PLC and holds, either directly or through other subsidiaries, the issued share capitals of the following Companies:-

<u>Name</u>	<u>Principal Activity</u>	<u>Shareholding</u> <u>%</u>
Australia Vita Pty Limited	Investment Company	100
Caligen Europe B.V.	Cellular Foam Products	100
Furniture Corporation of Zambia Limited	Furniture, Mattresses and Retailing	95
Libeltex N.V.	Fibre Processing	100
Libeltex France S.A.	Fibre Products	100
Limatex N.V.	Non-Trading	100
Metrans N.V.	Haulage Contracting	100
Morard Europe S.A.	Cellular Foam Products	100
Tramico S.A.	Cellular Foam & Polymeric Products	100
Vita Polymers Europe B.V.	Holding Company	100
Vita Polymers France S.A.	Holding Company	100
Vitafoam Europe B.V.	Holding Company	100
Vitafoam Kenya Limited	Cellular Foam Products	75
Vitafoam Zambia Limited	Cellular Foam Products and Fabric Coating	95

The principal associated companies held directly or indirectly by Vita International Limited are listed below -

<u>Name and Country of incorporation and principal operation</u>	<u>Total</u> <u>000's</u>	<u>Company</u> <u>Interest</u> <u>%</u>
Vita Cortex Holdings Limited Ireland	I£529	50.0
Vita Pacific Limited Australia	A\$3,000	40.0
Vitafoam Barbados Limited Barbados	B\$75	50.0
Vitafoam Products Canada Limited Canada	C\$20	50.0
Taki Vita SAE Egypt	E£2,000	40.0
PT Vitafoam Indonesia Indonesia	Rp273,900	33.5
Vita Colourfoam Japan Limited Japan	Y63,000	20.0
Vitafoam Nigeria Limited Nigeria	N18,200	20.0
Vitafoam S.A. (Pty) Limited South Africa	R150	50.0
Vitafoam Trinidad Limited Trinidad	T\$300	40.0
Vitafoam CA (Private) Limited Zimbabwe	Z\$1804	50.0

Notes

1. Vita Pacific Limited, which is listed on the Australian Associated Stock Exchanges, holds 25%* of Vita Colourfoam Japan Limited and 24.9%* of Vita New Zealand.

*Excluded from Company Interest % in table on previous page.

2. Vita International also holds 50% of the C\$180,000 preference shares of Vitafoam Products Canada Limited, and, indirectly, 50% of the I£10,572 preference shares of Vita Cortex Holdings Limited.
3. Vitafoam Nigeria Limited is listed on the Nigerian Stock Exchange.

VITA INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Results

The profit after taxation for the year was £1,083,726 and there was an extraordinary charge of £32,100.

An ordinary dividend of £100,000 has been paid to the Holding Company in respect of the year, together with a preference dividend of £3,447 leaving a retained profit for the year of £948,179 which when added to the retained profit brought forward of £1,036,936 leaves a balance carried forward of £1,985,115.

Activity

The principal activity of the Company is the servicing of all overseas interests of the British Vita Group.

Directors

1. The Directors of the Company at 31 December 1984 were:-

Mr. R. McGee
Mr. F.A. Parker
Mr. G. Blunt
Mr. F.J. Eaton
Mr. N.M. Grimshaw
Mr. W.E. Holt
Mr. A.G.C. Hunt
Mr. L. D. Lawton
Mr. J.H. Ogden
Mr. T. Richardson
Mr. R.H. Sellers
Mr. G. Szalmuk (Australia)

No other persons have been Directors of the Company during the year.

2. Under the Company's Articles of Association, the Directors do not retire by rotation at the Annual General Meeting.
3. The interests, including family interests, in the shares of the Holding Company of persons who were Directors of the Company, at 31 December 1984, but who were not also Directors of the Holding Company were as follows:

(a) Ordinary Shares -

	At <u>31 December 1984</u>	At <u>31 December 1983</u>
A.G.C. Hunt	11,610	10,005

(b) Options (adjusted for relevant capitalisation issues and the rights issue made by the Holding Company in September 1980) -

	At <u>31 December 1984</u>	At <u>31 December 1983</u>
A.G.C. Hunt	15,709	6,629

VITA INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

4. The interests of the remaining Directors of the Company in the shares of the Holding Company are shown in the Consolidated Accounts of the Holding Company.
5. No Directors were interested at any time during the year in the shares of the Company or in any of the Debentures of the Holding Company.

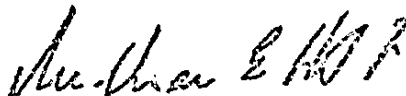
Auditors

A resolution proposing the re-appointment of Arthur Andersen & Co. as Auditors of the Company will be put to the Annual General Meeting.

By Order of the Board

8 MARCH 1985

Soudan Street
Middleton
Manchester



W.E. HOLT
SECRETARY

ARTHUR ANDERSEN & Co.

BANK HOUSE
9 CHARLOTTE STREET
MANCHESTER M1 4EU

To the Members of Vita International Limited.

We have audited the accounts set out on pages 5 to 11 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the historical cost basis, give a true and fair view of the state of the Company's affairs at 31 December 1984, and of the profit and source and application of funds for the year then ended, and comply with the Companies Acts 1948 to 1981.

Arthur Andersen & Co.

8 March 1985

VITA INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1984

	Note	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Turnover -			
External	2	283,179	418,757
Inter Company		134,644	118,136
		<u>417,823</u>	<u>536,893</u>
Administration and selling costs		(447,148)	(641,866)
Operating profit/(loss)		(29,325)	(104,973)
Dividends		1,318,757	1,150,612
Profit before interest		<u>1,289,432</u>	<u>1,045,639</u>
Interest -			
Payable		(59,304)	(34,836)
Received		16,691	31,996
Profit on ordinary activities before taxation	3	1,246,819	1,042,799
Taxation	4	(163,093)	(100,432)
Profit on ordinary activities after taxation		<u>1,083,726</u>	<u>942,367</u>
Extraordinary items	5	(32,100)	(40,858)
Dividends		(103,447)	(103,447)
Retained Profit for the year		<u>948,179</u>	<u>798,062</u>
Retained Profit, brought forward		1,036,936	238,874
Retained Profit, carried forward		<u><u>1,985,115</u></u>	<u><u>1,036,936</u></u>

The accompanying notes form an integral part of these accounts.

VITA INTERNATIONAL LIMITED
BALANCE SHEET AT 31 DECEMBER 1984

	<u>Note</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
FIXED ASSETS			
Investments	6	<u>3,221,939</u>	<u>3,432,253</u>
CURRENT ASSETS			
Debtors	7	2,869,041	2,070,300
Cash at bank and in hand	8	<u>1,524,345</u>	<u>1,469,552</u>
		4,393,386	3,539,852
CREDITORS -			
Amounts falling due within one year -	9	<u>(4,902,548)</u>	<u>(5,207,507)</u>
NET CURRENT LIABILITIES		<u>(509,162)</u>	<u>(1,667,655)</u>
NET ASSETS		<u>2,712,777</u>	<u>1,764,598</u>
CAPITAL AND RESERVES			
Called-up share capital	10	713,567	713,567
Share premium account		2,070	2,070
Other reserves - Capital Redemption Reserve Fund		12,025	12,025
Profit and loss account		<u>1,985,115</u>	<u>1,036,936</u>
CAPITAL EMPLOYED		<u>2,712,777</u>	<u>1,764,598</u>

R. McGee)
R.H. Sallers)

Directors

8 MARCH 1985

The accompanying notes form an integral part of these accounts.

VITA INTERNATIONAL LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	1,246,819	1,042,799
Extraordinary item	(32,100)	(40,858)
Item not involving the Movement of Funds:		
Exchange adjustments	(10,610)	" (9,931)
Funds from other sources:		
Loan repayments from associated companies	220,924	60,554
	<u>1,425,033</u>	<u>1,052,564</u>
APPLICATION OF FUNDS		
Investments in associated companies	-	(140,915)
Dividends paid	(103,447)	(103,447)
Taxation paid	(163,093)	(100,432)
	<u>(266,540)</u>	<u>(344,794)</u>
WORKING CAPITAL MOVEMENTS		
(Increase)/decrease in debtors	(97,731)	52,020
Increase/(decrease) in creditors	36,604	(17,867)
Increase/(decrease) in indebtedness with Group Companies	(1,821,131)	(331,261)
	<u>(1,882,258)</u>	<u>(297,108)</u>
NET CASH INFLOW (OUTFLOW)	<u>(723,765)</u>	<u>410,662</u>
Opening cash and bank balances	1,285,957	875,295
Closing cash and bank balances	562,192	1,285,957
NET CASH INFLOW (OUTFLOW)	<u>(723,765)</u>	<u>410,662</u>

The accompanying notes form an integral part of these accounts.

VITA INTERNATIONAL LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 1984

1. ACCOUNTING POLICIES

The accounts have been prepared on the historical cost basis.

(a) Turnover

Turnover represents the net amounts charged to external customers, but excludes value added tax.

(b) Foreign Currencies

These are translated at the rates of exchange at the year end. Exchange differences arising from the translation of the foreign currency balances and realised gains and losses on net foreign currency borrowings are dealt with through the Profit and Loss Account.

(c) Investments

Investments in Subsidiary Companies are stated at cost as adjusted for distributable reserves capitalised by certain subsidiaries.

Investments in Associated Companies are stated at cost.

(d) Dividend Income

Dividends from Overseas Companies comprise all dividends approved by the Directors of these Companies applicable to the year 1984.

(e) Taxation

U.K. Taxation is provided on taxable profits at the current rate of corporation tax after adjusting for double taxation relief in respect of Overseas Taxation.

2. ANALYSIS OF EXTERNAL TURNOVER

By Geographical area	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
U.K.	75,394	68,774
Other European Countries	102,379	83,354
Rest of World	105,406	266,629
	<u>283,179</u>	<u>418,757</u>

VITA INTERNATIONAL LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 1984 (CONTINUED)

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
3. <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		
Profit on ordinary activities before taxation is arrived at after charging:-		
Auditors' Remuneration	12,500	12,000
	<u>12,500</u>	<u>12,000</u>
4. <u>TAXATION</u>		
The taxation charge comprises -		
Corporation tax on the taxable profits for the year 52%	1,089,000	942,000
Double taxation relief	(1,089,000)	(942,000)
Overseas taxation	163,093	100,432
Overprovision in previous year	-	-
	<u>163,093</u>	<u>100,432</u>
5. <u>EXTRAORDINARY ITEM</u>		
Provision of Dividends unremitted from Overseas Associate Company	(16,363)	40,858
Loss on disposal of Associated Company	48,463	-
	<u>32,100</u>	<u>40,858</u>
6. <u>INVESTMENTS</u>		
Investments comprise -		
Subsidiary Companies at cost plus capitalised reserves	2,145,345	2,101,163
Associated Companies		
(a) Unlisted investments - Directors' valuation £4,390,000 (1983 - £3,485,000)	986,767	1,030,949
(b) Listed investment - Lagos stock exchange market value £2,326,000 (1983 - £2,184,000)	20,000	20,000
(c) Loans	69,827	280,141
	<u>3,221,939</u>	<u>3,432,253</u>

VITA INTERNATIONAL LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 1984 (CONTINUED)

7. DEBTORS

Amounts falling due within one year -	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Amounts owed by group companies	1,768,355	1,067,345
Amounts owed by associated companies	153,525	918,609
Other debtors	105,239	84,111
Prepayments	250	235
	<u>2,027,369</u>	<u>2,070,300</u>
Amounts falling due after more than one year -		
Amounts owed by Associated Companies	841,672	-
	<u>2,869,041</u>	<u>2,070,300</u>

8. CASH AT BANK AND IN HAND

Cash at Zambian banks awaiting remittance approval	1,516,914	1,252,486
Cash and bank balances	7,431	217,066
	<u>1,524,345</u>	<u>1,469,552</u>

9. CREDITORS

Amounts falling due within one year -		
Bank overdraft - unsecured	962,153	183,595
Amounts owed to group companies	3,862,288	4,982,409
Amounts owed to associated companies	3,300	3,800
Other creditors	34,967	32,653
Accruals	39,840	5,050
	<u>4,902,548</u>	<u>5,207,507</u>

10. SHARE CAPITAL

Share capital at 31 December 1983 and 1984 comprised -

	<u>Authorised</u> <u>£</u>	<u>Issued and</u> <u>fully paid</u> <u>£</u>
6% Cumulative preference shares of £1 each	60,000	57,450
6% Redeemable cumulative preference shares of £1 each (less £12,025 redeemed to date)	100,000	33,104
Ordinary shares of £1 each	640,000	623,013
	<u>800,000</u>	<u>713,567</u>

The 6% Redeemable Cumulative Preference Shares which were due to be redeemed by 1970 are owned by the Holding Company, British Vita PLC; no further redemption of these shares is contemplated.

VITA INTERNATIONAL LIMITED

NOTES TO ACCOUNTS - 31 DECEMBER 1984 (CONTINUED)

11. GUARANTEE

The Company has guaranteed the indebtedness of the Holding Company and certain of its United Kingdom subsidiaries to National Westminster Bank PLC and certain of its subsidiaries.

12. CONTINGENT LIABILITY

The Company has by Deed charged its Assets as collateral security for the issue of Debenture Stock 1987/92 and 1990/95 by its Holding Company. At 31 December 1983 the amount of stock issued and outstanding was £1,071,000 (1982 - £1,235,000)

13. ULTIMATE HOLDING COMPANY

The Company is a wholly-owned subsidiary of British Vita PLC a company incorporated in England.