

VITALAM LIMITED

----- DIRECTORS' REPORT -----

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The Directors submit their Report together with the Accounts for the year ended 31 December 1985.

The Company is a wholly owned subsidiary of British Vita PLC.

The Company has been dormant throughout the year.

DIRECTORS

1. The Directors of the Company at 31 December 1985 were:-

R H Sellers
A F. Teague

On 31 December 1985 Mr W E Holt resigned as a director of the Company and Mr A R Teague was appointed a director of the Company.

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 of Mr R H Sellers in the shares of the holding company are shown in the Consolidated Accounts of the holding company. Mr A R Teague holds a beneficial option over 9,000 ordinary shares in the holding company which were allotted in 1984 under the British Vita Executive Share Option Scheme 1984.
4. No Directors were interested at any time of the year in the share capital of the Company or in the Debentures of the holding company.
5. In accordance with Section 252 of the Companies Act 1985 the Company has not appointed auditors.

February 1986

By Order of the Board

Middleton
Manchester, M24 2DB

R A JENKYN
Secretary

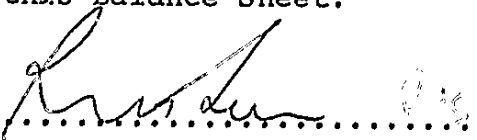
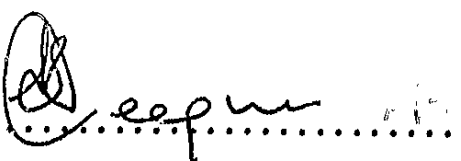


VITALAM LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1985

<u>1984</u> (£)		<u>1985</u> (£)
	<u>CURRENT ASSETS</u>	
<u>25,000</u>	Debtors (See Note 1)	<u>25,000</u>
	<u>CAPITAL AND RESERVES</u>	
<u>25,000</u>	Called up share capital (See Note 2)	<u>25,000</u>

These accounts have been modified in accordance with the Companies Act 1985.

The Company was dormant within the meaning of Section 252 of the Companies Act 1985 throughout the financial year ending with the date of this Balance Sheet.

..........)
.....) Directors

February 1986

Notes :-

1. This represents the amount due from the ultimate holding company.
2. The authorised capital of the Company is £60,000 divided into 60,000 Ordinary shares of £1 each.
3. The ultimate holding company is British Vita PLC, a company incorporated in England.
4. The Company has by Deed charged its assets as collateral security for the issue of Debenture Stock 1987/92 and 1990/95 by its ultimate holding company. At 31 December 1985 the amount of such stock issued and outstanding was £944,684.