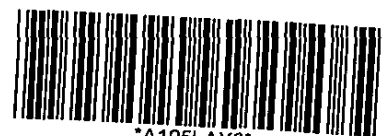


Vita Industrial Polymers Limited
Annual report and financial statements
for the year ended 31 December 2011

Registered Number 900059

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Vita Industrial Polymers Limited

Annual report and financial statements

for the year ended 31 December 2011

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Vita Industrial Polymers Limited

Directors and Advisors for the year ended 31 December 2011

Directors

Mr G L Maundrell
Mr J H Menendez
Mr N B Hay
Mr P Wright
Mr J Hannah
Mr I Bragg
Mr J D Meltham

Secretary

Vita Industrial (UK) Limited

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Registered office

Times Place
45 Pall Mall
London
SW1Y 5JG

Registered number

900059

Vita Industrial Polymers Limited

Directors' report for the year ended 31 December 2011

The directors present this annual report and the audited financial statements of the Company for the year ended 31 December 2011

Principal activity

The Company has not traded during the year and is not expected to trade for the foreseeable future. The principal activity of the Company during 2010 was the sale of coated fabrics until its closure on 31 December 2010.

Business review

Early January 2011, the business assets of the remaining business, VitapruF, were sold to A T C Manufacturing Limited for proceeds of £192,361 and the Company ceased to trade.

Results for the year ended 31 December 2011 were in line with expectations, given the sale of the business assets. The profit for the year was £40,909 (2010: loss of £2,187,454) with turnover of £nil (2010: £3,196,930). The exceptional costs were £nil (2010: £2,816,565 related to the closure of the Salford site and the closure of the Vita Pension Fund 2 scheme).

At the year end the Company had net assets of £602,036 (2010: liabilities of £1,188,873). On 7 April 2011, the Company issued 1,750,000 ordinary shares, at par value of £1 each to its parent, British Vita Unlimited.

Dividends

The directors do not propose a dividend in respect of the year ended 31 December 2011 (2010: £nil).

Directors and their interests

The directors who held office during the year and up to the date of signing the financial statements are as follows:

Mr J H Menendez
Mr G L Maundrell
Mr N B Hay
Mr P Wright
Mr I Bragg
Mr J Hannah
Mr J D Meltham (appointed 7 April 2011)
Mr N J Burley (resigned 25 March 2011)

Political and charitable contributions

No political or charitable donations (2010: £nil) were made by the Company during the year.

Vita Industrial Polymers Limited

Directors' report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared 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, subject to any material departures disclosed and explained in 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.

Statement of disclosure of information to auditors

Each director in office at the date the Directors' report is approved confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

By order of the Board



Mr G L Maundrell
Director
30 April 2012

Vita Industrial Polymers Limited

Independent auditors' report to the members of Vita Industrial Polymers Limited

We have audited the financial statements of Vita Industrial Polymers Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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.

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.

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 on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 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.

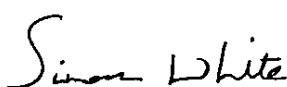
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Simon White (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

30 April 2012

Vita Industrial Polymers Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	1	-	3,196,930
Cost of sales before exceptional items		-	(3,322,533)
Exceptional items	2	-	(2,623,272)
Cost of sales		-	(5,945,805)
Gross loss		-	(2,748,875)
Distribution costs		-	(271,229)
Administrative expenses before exceptional items		-	(129,227)
Exceptional items - pensions	2	-	(193,293)
Administrative expenses		-	(322,520)
Operating loss	2	-	(3,342,624)
Interest receivable from group undertakings		60,904	35,529
Interest payable to group undertakings		(39,639)	-
Profit/(loss) on ordinary activities before taxation		21,265	(3,307,095)
Tax on profit/(loss) on ordinary activities	4	19,644	1,119,641
Profit/(loss) for the financial year	11	40,909	(2,187,454)

All results are generated from discontinued operations

The Company has no recognised gains and losses in either year other than those included in the results above, therefore no separate statement of total recognised gains and losses has been presented

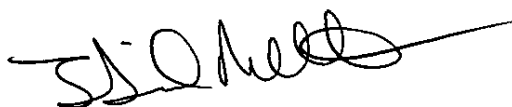
There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the years stated above and their historical cost equivalents

Vita Industrial Polymers Limited

Balance sheet as at 31 December 2011

	Note	2011 £	2010 £
Current assets			
Stocks	5	-	192,361
Debtors (includes £5,933,330 (2010 £3,229,478) due after one year)	6	5,994,204	4,680,370
Cash at bank and in hand		-	236
		5,994,204	4,872,967
Creditors, amounts falling due within one year	7	(5,637)	(507,589)
Net current assets, total assets less current liabilities and net assets		5,988,567	4,365,378
Creditors amounts falling due after more than one year	8	(3,278,556)	(2,698,718)
Provisions for liabilities	9	(2,107,975)	(2,855,533)
Net assets/(liabilities)		602,036	(1,188,873)
Capital and reserves			
Called up share capital	10	4,557,630	2,807,630
Share premium account	11	512,500	512,500
Profit and loss account	11	(4,468,094)	(4,509,003)
Total shareholders' funds/(deficit)	14	602,036	(1,188,873)

The financial statements on pages 5 to 15 were approved by the board of directors on 27 April 2012 and were signed on its behalf by



Mr J D Meltham
Director
30 April 2012

Vita Industrial Polymers Limited
Registered number
900059

Vita Industrial Polymers Limited

Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The Company is a wholly-owned subsidiary of British Vita Unlimited and is included in the consolidated financial statements of British Vita (Lux III) S à r l, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Research and development

Expenditure is charged against profit in the period in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value; cost includes appropriate production overhead expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

During the year the Company participated in one defined benefit group pension scheme participated in by British Vita Unlimited and one defined contribution scheme. Pension costs are accounted for as if both the schemes were defined contribution schemes, under paragraph 12 of Financial Reporting Standards (FRS) 17 'Retirement Benefits', as the Company is unable to separately identify its assets and liabilities from the group schemes.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as of the date of the transaction (or where appropriate, at the rate of exchange in a related foreign currency forward contract). Monetary assets and liabilities denominated in foreign currencies at the year end are translated into sterling at the rate of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related foreign currency forward contract). Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the profit and loss account.

Turnover

Turnover comprises the value of sales (excluding VAT, similar taxes and trade discounts) of goods and services in the normal course of business. Sales are recognised on despatch.

Leases

Rental costs under operating leases are charged to the profit and loss account over the period of the lease.

Vita Industrial Polymers Limited

Accounting policies (continued)

Cash flow statement

The Company is a wholly owned subsidiary of British Vita (Lux III) S ar l , which produces consolidated financial statements that are publicly available. Consequently, the Company is exempt from the requirement of FRS 1 "Cash flow statements" (Revised 1996) to prepare a cash flow statement.

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly.

The Company is exposed to environmental liabilities relating to its operations. Provisions are made immediately where a constructive or legal obligation is identified, can be quantified and it is regarded as more likely than not that an outflow of resources will be required to settle the obligation.

Loss making cash generating units

Where management have identified a cash generating unit where the trade is loss making, but it is uneconomic to close at the present time and it is unlikely to be restored to profitability a provision has been recognised for the least net cost of exiting these units.

Vacant operating leased property

When an operating leased property ceases to be used in the business or a commitment is entered into which would cause this to occur, provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover future obligations relating to the lease.

Exceptional items

Items which are both material and non-recurring in nature are presented as exceptional items so as to provide a better indication of the Company's underlying business performance and are shown separately on the face of the profit and loss account.

Vita Industrial Polymers Limited

Notes to the financial statements for the year ended 31 December 2011

1 Turnover

The geographical analysis of turnover by destination is as follows

	2011 £	2010 £
Continental Europe	-	339,687
United Kingdom	-	2,768,123
Rest of World	-	89,120
	-	3,196,930

Trading ceased in January 2011

2 Operating loss

Operating loss is stated after charging	2011 £	2010 £
Exceptional costs - other	-	2,623,272
Exceptional costs - pensions	-	193,293
Operating leases		
- plant and machinery	-	36,709
Services provided by the Company's auditors		
Fees payable for the audit	-	7,000

In 2010, the exceptional item is in respect of the onerous lease and closure cost provisions following the sale of Vitapruf and the closure of the Company plus costs associated with the closure of the Vita Pension Fund 2 scheme

Auditors' remuneration for 2011 of £2,500 was borne by a fellow group undertaking

Vita Industrial Polymers Limited

Notes to the financial statements (continued) for the year ended 31 December 2011

3 Directors and employees

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	-	466,961
Social security costs	-	46,343
Other pensions costs	-	75,012
	-	588,316

The average monthly number of persons, including directors, during the year was

	2011 Number	2010 Number
By activity		
Selling and distribution	-	2
Production	-	17
	-	19

The directors received no emoluments for their services to the Company in either year

Vita Industrial Polymers Limited

Notes to the financial statements (continued)

for the year ended 31 December 2011

4 Tax on profit/(loss) on ordinary activities

	2011 £	2010 £
Current tax		
United Kingdom corporation tax at 26.5% (2010: 28%)	5,636	(928,542)
Adjustment in respect of previous years	(25,280)	(191,099)
Tax on profit/(loss) on ordinary activities	(19,644)	(1,119,641)

The tax assessed for the year differs (2010: differs) from the effective rate of Corporation tax in the UK. The differences are explained as follows:

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	21,265	(3,307,095)
Tax on profit/(loss) on ordinary activities at standard UK Corporation tax rate of 26.5% (2010: 28%)	5,636	(925,987)
Net expenses non chargeable for tax purposes	-	(2,555)
Adjustments in respect of previous years	(25,280)	(191,099)
Current tax credit for the year	(19,644)	(1,119,641)

Potential deferred tax assets of £0.7m (2010: £0.7m) have not been recognised in respect of losses carried forward, fixed asset timing differences and other timing differences, as it is considered the degree of certainty around the future is not sufficient to prudently recognise these assets.

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011 and a further reduction to 25% with effect from 1 April 2012. These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively. The effect of these rate reductions has been included in the relevant figures above.

In his budget of 21 March 2012, the Chancellor of the Exchequer announced certain tax changes. The proposals included phased reductions in the corporation tax rate. The rate reduced to 24% from 1 April 2012 and further reductions were proposed to 23% effective from 1 April 2013 and to 22% effective from 1 April 2014. As at 31 December 2011 these changes had not been substantively enacted and therefore are not recognised in the financial statements. The overall effect of the further reductions from 25% to 22%, if these applied to the deferred tax balance not recognised at 31 December 2011, would be to reduce the UK deferred tax asset not recognised by approximately £0.1m.

Vita Industrial Polymers Limited

Notes to the financial statements (continued)

for the year ended 31 December 2011

5 Stocks

	2011 £	2010 £
Raw materials and consumables	-	117,518
Finished goods and goods for resale	-	74,843
	-	192,361

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

6 Debtors

	2011 £	2010 £
Trade debtors	-	478,449
Amounts owed by group undertakings (includes £5,933,300 (2010 £3,229,478) due after one year)	5,994,204	3,229,478
Corporation tax recoverable	-	928,542
Prepayments and accrued income	-	43,901
	5,994,204	4,680,370

Amounts owed by group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the libor (or equivalent) for the currency of each loan, and an appropriate margin is added.

7 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	-	334,717
Corporation tax	5,636	-
Other taxation and social security	-	12,790
Accruals and deferred income	1	160,082
	5,637	507,589

Vita Industrial Polymers Limited

Notes to the financial statements (continued)

for the year ended 31 December 2011

8 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	3,278,556	2,698,718

Amounts owed to group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the libor (or equivalent) for the currency of each loan, and an appropriate margin is added.

9 Provisions for liabilities

	Onerous leases and environmental costs £
At 1 January 2011	2,855,533
Utilised in the year	(747,558)
At 31 December 2011	2,107,975

The provisions brought forward are in respect of an onerous lease on its Salford premises and environmental remedial works required to be carried out on those premises. The provision is expected to be fully utilised within the next two years.

10 Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid		
4,557,630 (2010: 2,807,630) ordinary shares of £1 each	4,557,630	2,807,630

On 7 April 2011 the Company issued 1,750,000 ordinary shares at par value of £1 each to its parent, British Vita Unlimited. The Company advanced £1,750,000 on intercompany loan account to British Vita Unlimited.

Vita Industrial Polymers Limited

Notes to the financial statements (continued) for the year ended 31 December 2011

11 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2011	512,500	(4,509,003)
Profit for the year	-	40,909
At 31 December 2011	512,500	(4,468,094)

12 Contingent liabilities

The Company has given guarantees to its bankers in respect of advances to certain group undertakings. The directors are of the opinion that no liability is likely to arise.

13 Operating lease commitments

The Company has annual commitments in respect of operating leases expiring as shown

	Property		Plant and machinery	
	2011 £	2010 £	2011 £	2010 £
Within one year	-	-	-	1,440
Between two and five years	-	-	-	153
After five years	376,126	365,171	-	-
	376,126	365,171	-	1,593

Vita Industrial Polymers Limited

Notes to the financial statements (continued) for the year ended 31 December 2011

14 Reconciliation of movements in shareholders' funds/(deficit)

	2011 £	2010 £
Profit/(loss) for the financial year	40,909	(2,187,454)
New shares issued	1,750,000	-
Net addition/(reduction) to shareholders' funds	1,790,909	(2,187,454)
Opening shareholders' (deficit)/funds	(1,188,873)	998,581
Closing shareholders' funds/(deficit)	602,036	(1,188,873)

15 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by the British Vita (Lux III) S à r l, whose financial statements are publicly available

16 Ultimate parent undertaking controlling party

The Company's immediate parent undertaking is British Vita Unlimited

British Vita (Lux III) S à r l is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements may be obtained from 5, Rue Guillaume Kroll, L-1882, Luxembourg

The Company's ultimate controlling party is TPG Partners IV-AIV, LP, a partnership located in the Cayman Islands. The ultimate parent company is Vita Cayman Limited