

Vita Investments North America Limited  
Annual report and financial statements  
for the year ended 31 December 2020

Registered number 1522818



# Vita Investments North America Limited

## Annual report and financial statements

### for the year ended 31 December 2020

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# **Vita Investments North America Limited**

## **Directors and advisers for the year ended 31 December 2020**

### **Directors**

Mr I W Robb

Mr M O Shafi Khan

### **Secretary**

Vita Industrial (UK) Limited

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

No 1 Spinningfields

1 Hardman Square

Manchester

M3 3EB

### **Registered office**

Oldham Road

Middleton

Manchester

M24 2DB

### **Registered number**

1522818

# Vita Investments North America Limited

## Strategic report for the year ended 31 December 2020

The directors present their Strategic report on the Company for the year ended 31 December 2020.

### Principal activities

The principal activity of the Company was formerly to be the immediate parent of certain overseas investments of the Group (Vita Global Finco Limited and its subsidiary companies). Investments are detailed in note 4 to the financial statements. All investments were fully impaired in a previous year, and it is the intention of the directors to either dissolve the Company or leave it as dormant. Thus, the Company have prepared the financial statements on a basis other than going concern.

### Business review

Results for the year ended 31 December 2020 were in line with expectations. The profit for the financial year was £227,134 (2019: £243,224). At the year end the Company had net assets of £8,274,726 (2019: £8,047,592).

### Environment

The Company recognises the importance of its environmental responsibilities, undertakes initiatives to promote greater environmental responsibility, encourages the development and sharing of environmentally friendly technologies, designs and implements policies to reduce any environmental damage that might be caused by its activities and regularly reviews its performance. The Company operates in accordance with Group policies.

### Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The directors are mindful of the risks and uncertainties facing the Group and have implemented controls that aim to mitigate or reduce these risks. Review of internal controls and identification of key risk areas is ongoing and a live process.

Competitive pressure in the trading subsidiary undertakings, both within the UK and overseas, is a continuing risk for the Group. The Group manages this risk by providing differentiated and value added products and solutions to its customers. The Group has no significant reliance on any single customer.

Recession: this risk could come about through changes in global macro conditions, such as the impact of the COVID-19 virus pandemic. The Group's trading history shows that, while there may be impacts in the short-term, demand for the Group's products has in the past bounced back relatively quickly, especially as the Group is exposed to a wide range of end markets. In addition, the Group, through enhanced management reporting and tracking, is better positioned than ever to be able to flex and control costs to offset the impacts of recessions. Large scale and vertically integrated market participants, such as the Group, generally come out of recessionary periods better than smaller scale, less diversified players.

COVID-19: the impact of the coronavirus continues to create potential business risks, which the Group is managing. Risks to workforce safety are managed by a rigorous focus on SHE policies and by following government guidance on hygiene practices and social distancing. Normal business operations have resumed across the Group, but liquidity risks that may arise from interruption due to the pandemic are managed through the preparation of monthly cash forecasts and liquidity models, which provide management with a medium-term view of business cash requirements. Risks to raw material supply are managed through proactive relationships and integrated logistics planning with key suppliers, in order to maintain access to material supply, and integrated logistics planning.

### Financial risk management

The Group, of which the Company is a member, through its treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage surplus cash. The treasury department operates within parameters approved and monitored by the Group Board of Directors and restricts transactions to banks that have a defined minimum credit rating.

The treasury department does not take speculative financial positions and makes limited use of derivative financial instruments. The treasury department advises operational management on all financial risks and executes all major transactions in financial instruments. In the UK, the treasury department arranges all foreign currency forward contracts to hedge transactional exposures and ensures exposures are fully hedged as they arise and, where appropriate, hedges future exposures up to six months forward. In addition, the treasury department manages borrowings.

At the year end the Company had no foreign currency forward contracts (2019: none).

# Vita Investments North America Limited

## Strategic report for the year ended 31 December 2020 (continued)

### Key Performance Indicators ("KPIs")

The Company produces monthly reporting packs containing its financial results and these are consolidated into the total numbers for submission to the Group for review. The Key Performance Indicators on which the Company and Group focuses are:

- EBITDA
- Working Capital
- Operating Cash Flow

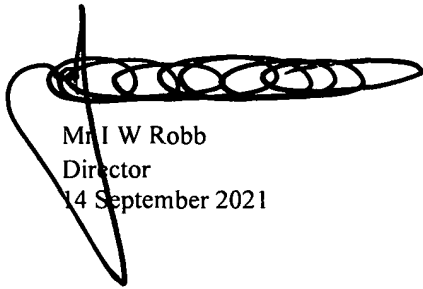
The KPIs are measured in absolute terms.

### Non-financial

There are three non-financial key performance indicators which are:

- Health and safety - the index of Lost Time Accidents (LTAs) per one hundred thousand hours worked is measured monthly at all businesses. The ultimate goal is to achieve zero reported LTA's
- Environment - no prohibition/improvement/non-compliance notices issued on the Company
- Compliance - 100% completion for online compliance training courses

On behalf of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, followed by a vertical line extending downwards.

Mr I W Robb  
Director  
14 September 2021

# **Vita Investments North America Limited**

## **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

### **Political and charitable contributions**

No political or charitable donations were made by the Company during the current or prior year.

### **Dividends**

The directors have not paid and do not propose a dividend in respect of the year ended 31 December 2020 (2019: £nil).

### **Future developments and post balance sheet events**

The companies of which the Company is the immediate parent, Vitafoam Inc. and Metzeler Schaum Inc. were dissolved on 16 February 2021 and 10 February 2021, respectively.

### **Financial risk management**

Financial risk management is described in the Strategic report on page 2.

### **Directors**

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

Mr I W Robb

Mr M O Shafi Khan

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force during the financial year and also at the date of approval of the financial statements. The Group purchased and maintained during the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### **Going concern**

As set out in the statement of directors' responsibilities, the directors are required to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Company will continue in business.

As explained under principal activity section of the Strategic report, all investments held in the Company were fully impaired in a previous year, and it is the intention of the directors to either dissolve the Company or leave it as dormant. As required by UK accounting standards, the directors have therefore prepared the financial statements on the basis that the Company is no longer a going concern. For further details see Accounting policies to the financial statements.

# Vita Investments North America Limited

## Directors' report for the year ended 31 December 2020 (continued)

### Statement of directors' responsibilities in respect of the financial statements

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

Company law requires, 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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. For the reasons stated in the Directors' report and Accounting policies, the financial statements of the Company have been prepared on a basis other than going concern.

The directors 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.

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.

### Directors' confirmations

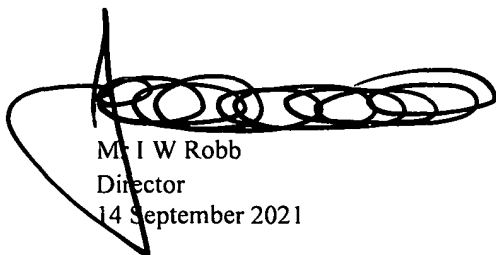
In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps 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 auditors are aware of that information.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### On behalf of the Board



Mr I W Robb  
Director  
14 September 2021

# **Vita Investments North America Limited**

## **Independent auditors' report to the members of Vita Investments North America Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Vita Investments North America Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the profit and loss account and the Statement of changes in equity for the year then ended; the Accounting policies; and the notes to the financial statements.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to the Accounting policies Going concern paragraph to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.



# Vita Investments North America Limited

## Independent auditors' report to the members of Vita Investments North America Limited (continued)

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK corporate tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance and the entity's in-house legal counsel regarding actual and potential litigation and claims
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations
- Reviewing minutes of meetings of those charged with governance, in relation to risks identified above
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and testing accounting estimates (because of the risk of management bias)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

# **Vita Investments North America Limited**

## **Independent auditors' report to the members of Vita Investments North America Limited (continued)**

### **Use of this report**

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.

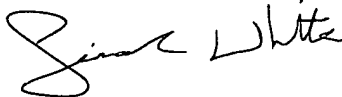
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon White (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

23 September 2021

## Vita Investments North America Limited

### Profit and loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Administrative expenses		(13,327)	(11,092)
<b>Operating loss</b>	1	<b>(13,327)</b>	<b>(11,092)</b>
Interest receivable and similar income	2	293,739	311,368
<b>Profit before taxation</b>		<b>280,412</b>	<b>300,276</b>
Tax on profit	3	(53,278)	(57,052)
<b>Profit for the financial year</b>	8	<b>227,134</b>	<b>243,224</b>

All results are generated from continuing operations.

The Accounting policies and notes on pages 12 to 19 form part of these financial statements.

The Company incurred no other comprehensive income other than that recognised in the Profit and loss account above in either the current or prior year, and therefore no separate Statement of comprehensive income has been presented.

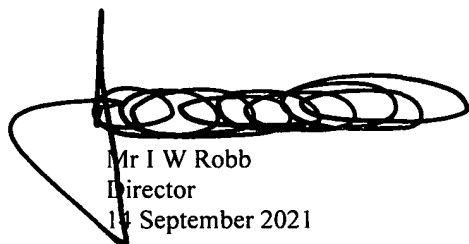
# Vita Investments North America Limited

## Balance sheet as at 31 December 2020

	Note	2020	2019
		£	£
<b>Fixed assets</b>			
Investments	4	-	-
<b>Current assets</b>			
Debtors (including £8,328,004 (2019: £7,949,758) amounts falling due after more than one year)	5	8,328,004	8,104,644
<b>Creditors: amounts falling due within one year</b>	6	(53,278)	(57,052)
<b>Net current assets, total assets less current liabilities and net assets</b>		<b>8,274,726</b>	<b>8,047,592</b>
<b>Capital and reserves</b>			
Called up share capital	7	20,600	20,600
Profit and loss account	8	8,254,126	8,026,992
<b>Total shareholders' funds</b>		<b>8,274,726</b>	<b>8,047,592</b>

The accounting policies and notes on pages 12 to 19 form part of these financial statements.

The financial statements on pages 9 to 19 were approved by the board of directors on 14 September 2021 and were signed on its behalf by:



Mr I W Robb  
Director  
14 September 2021

Vita Investments North America Limited  
Registered number  
1522818

## Vita Investments North America Limited

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2019	20,600	7,783,768	7,804,368
Profit for the financial year and total comprehensive income for the financial year	-	243,224	243,224
At 31 December 2019	20,600	8,026,992	8,047,592
Profit for the financial year and total comprehensive income for the financial year	-	227,134	227,134
<b>At 31 December 2020</b>	<b>20,600</b>	<b>8,254,126</b>	<b>8,274,726</b>

The Accounting policies and notes on pages 12 to 19 form part of these financial statements.

# Vita Investments North America Limited

## Accounting policies

### Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Vita Investments North America Limited for the year ended 31 December 2020 were authorised for issue by the board of directors on 14 September 2021 and the balance sheet was signed on behalf of the board by Mr I W Robb. Vita Investments North America Limited is a private limited company, limited by shares and is incorporated, registered and domiciled in England and Wales.

### Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act), as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a “qualifying entity”, as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS.

The Company is a wholly owned subsidiary of Vita Global Finco Limited which produces consolidated financial statements that are publicly available. Copies of their financial statements can be obtained from Vita Global Finco Limited, Level 1, IFC1, Esplanade, St Helier, Jersey, JE2 3BX.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. The financial statements are prepared in Sterling.

These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, as stated in the accounting policies.

The Company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the Company’s parent undertaking from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, “Financial Instruments: Disclosures”
- IAS 7, “Statement of cash flows”
- The requirements of IAS 24, “Related party disclosures” to disclose related party transactions entered into between two or more members of a group.

### Going concern

The Company’s business activities, together with the factors likely to affect its future development and position, are set out in its Directors’ report.

All investments held in a Company were fully impaired in a previous year, and it is the intention of the directors to either dissolve the Company or leave it as dormant. Thus, the Company have prepared the financial statements on a basis other than going concern. Though no adjustments arose as a result of ceasing to apply the going concern basis, the assets are presented at their recoverable value.

The financial statements do not include any provision for the future costs of terminating the business of the entity.

### Critical accounting estimates and judgements

The Company’s accounting policies have been set by management and approved by the Audit Committee. The application of these accounting policies to specific scenarios requires reasonable estimates and assumptions to be made concerning the future. These are continually evaluated based on historical experience and expectations of future events.

Under FRS 101, estimates or judgements are considered critical where they involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities from period to period. This may be because the estimate or judgement involves matters which are highly uncertain, or because different estimation methods or assumptions could reasonably have been used.

# Vita Investments North America Limited

## Accounting policies (continued)

### Critical accounting estimates and judgements (continued)

Critical accounting estimates and judgements have been made in the following areas when preparing the Company's financial statements:

#### Estimates:

Recoverability of inter-company debtors and estimated credit losses. Impairment provisions for financial assets have been calculated based on expected credit losses (ECL), as per the impairment model under IFRS 9. The Group has calculated impairment provisions for financial assets for each operating entity across the Group.

#### Judgements:

No critical judgements have been identified in applying the Company's accounting policies.

### New accounting standards and IFRS IC interpretations

The Company has adopted the following new and amended IFRSs in all periods presented in the historical financial information. There has not been a material impact to the Company when adopting these new and amended IFRSs:

- Amendments to IFRS 3 'Business combinations'
- Amendments to IAS8 'Accounting policies, changes in accounting estimate and errors'
- Amendments to IAS1 'Presentation of financial instruments'
- Amendments to IFRS 9
- Amendments to Conceptual framework

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to affect the current or future periods significantly.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to IAS1 'Presentation of financial instruments'
- Amendments to IFRS 3 'Business combinations'

### Early adoption of standards

The Company has not adopted, and does not intend to adopt, any standards early.

### Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

### Impairment reviews

Where circumstances indicate that there may have been an impairment of the carrying value of an investment, intangible or tangible fixed asset, an impairment review is carried out using cash flows calculated from budgets and projections approved by the board which are discounted at the Group's risk-adjusted weighted average cost of capital calculated from equity market data and borrowing costs. The impairment cost, if material, is booked as an exceptional item in arriving at operating loss.

### 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 years 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.

# Vita Investments North America Limited

## Accounting policies (continued)

### Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at actual exchange rates as of the date of the transaction. 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.

### Cash flow statement

The Company is a wholly owned subsidiary of Vita Global Finco Limited, which produces consolidated financial statements that are publicly available. Consequently, the Company is exempt from the requirement of IAS 7 “Statement of Cash Flows” to prepare a cash flow statement.

### Interest receivable and payable

Interest income and expenditure is recognised in the Profit and loss account on an accruals basis.

### Exceptional items

Items which are both material and outside the normal course of business are presented as exceptional items in arriving at operating profit 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.

### Share capital

The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions and the strategic objectives of the Company. In order to maintain or adjust the capital structure, the Company might adjust the amount of dividends paid, return capital to shareholders and issue new shares.

### Financial liabilities

#### *Initial recognition*

Financial liabilities within the scope of IFRS 9 “Financial Instruments” are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables and loans and borrowings.

#### *Recognition and measurement*

##### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that do not meet the hedge accounting criteria of IFRS 9. Gains or losses on liabilities held for trading are recognised in the Profit and loss account.

##### (b) Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the loans and borrowings using the effective interest rate method.



# Vita Investments North America Limited

## Accounting policies (continued)

### Financial liabilities (continued)

#### *Derecognition of financial liabilities*

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts, together with any costs or fees incurred, are recognised in profit or loss.

### Financial assets

#### *Classification*

The Company classifies its financial assets in the following categories: at fair value through profit or loss, and external loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### *(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

##### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

#### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value profit and loss are expensed in profit and loss.

The Company adopted IFRS 9 'Financial instruments' with effect from 1 January 2018. The impairment model under IFRS 9 requires the recognition of impairment provisions for financial assets to be based on expected credit losses (ECL). The Company has calculated impairment provisions for financial assets accordingly.

# Vita Investments North America Limited

## Notes to the financial statements

for the year ended 31 December 2020

### 1 Operating loss

Administrative expenses of £13,327 (2019: £11,092) are in respect of management charges to Vita Industrial (UK) Limited, a fellow group undertaking.

The directors are directors for a number of Group companies and it is not possible to allocate the remuneration between individual entities. Therefore, the Company discloses the emoluments paid to those directors for their services in the current year and in the prior year in Vita (Group) Unlimited. The Company has no employees (2019: none).

Auditors' remuneration of £3,553 (2019: £3,000) for statutory audit services was borne by Vita Industrial (UK) Limited. The auditors received no fees for non-audit services (2019: £nil).

### 2 Interest receivable and similar income

	2020 £	2019 £
Interest receivable from group undertakings	293,739	311,368

### 3 Tax on profit

	2020 £	2019 £
<b>Current tax</b>		
United Kingdom corporation tax at 19% (2019: 19%)	53,278	57,052
<b>Tax on profit</b>	<b>53,278</b>	<b>57,052</b>

The tax assessed for the year is the same as (2019: is the same as) the standard rate of Corporation tax in the UK.

On 11 March 2020 the UK Chancellor announced that the main rate of UK corporation tax would remain at 19% with effect from 1 April 2020 (instead of 17% as previously announced).

On 3 March 2021, the UK Chancellor announced that the main rate of UK corporation tax will be increasing to 25% with effect from 1 April 2023. As the change had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

The Company has no unrecognised deferred tax assets (2019: £nil) or liabilities (2019: £nil).

# Vita Investments North America Limited

## Notes to the financial statements (continued) for the year ended 31 December 2020

### 4 Investments

	Subsidiary undertakings £
<b>Cost</b>	
At 1 January 2019, 31 December 2019 and 31 December 2020	53,638,840
<b>Impairments</b>	
At 1 January 2019, 31 December 2019 and 31 December 2020	53,638,840
<b>Net book value</b>	
At 31 December 2020	-
At 31 December 2019	-

The investments were fully impaired in previous years and dissolved in 2021 (see note 11).

The investments held at 31 December 2020 are as follows:

Subsidiary undertakings	Registered office	Description and proportion of shares held by Company	Principal activity
Vitafoam Inc.	8343 Douglas Ave Ste 400 Dallas, TX 75225, USA	100% ordinary shares	Nonwoven products (non- trading)
Metzeler Schaum Inc.	8343 Douglas Ave Ste 400 Dallas, TX 75225, USA	100% ordinary shares	Cellular polymer products (non-trading)

The financial statements contain information about Vita Investments North America Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Vita Global Finco Limited registered at Level 1, IFC1, Esplanade, St Helier, Jersey, JE2 3BX.

# Vita Investments North America Limited

## Notes to the financial statements (continued)

for the year ended 31 December 2020

### 5 Debtors

	2020 £	2019 £
Amounts owed by group undertakings (including £8,328,004 (2019: £7,949,758) falling due after more than one year)	8,328,004	8,104,644
	<b>8,328,004</b>	<b>8,104,644</b>

Amounts owed by group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the relevant currency LIBOR (zero floor) (or equivalent) for the currency of each loan, and an appropriate margin is added. Amounts owed by group undertakings are not repayable on demand.

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Corporation tax	53,278	57,052

### 7 Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
58,824,600 (2019: 58,824,600) ordinary shares of £0.0003501936265 each	20,600	20,600

### 8 Profit and loss account

	£
At 1 January 2019	7,783,768
Profit for the financial year	243,224
At 31 December 2019	8,026,992
Profit for the financial year	227,134
<b>At 31 December 2020</b>	<b>8,254,126</b>

# **Vita Investments North America Limited**

## **Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

### **9 Related party transactions**

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of IAS 24, 'Related Party Disclosures', from disclosing related party transactions with fellow Group companies on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by the Vita Global Finco Limited, whose financial statements are publicly available. There were no other related party transactions.

### **10 Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Vita International Limited.

Vita Global Finco Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements may be obtained from Level 1, IFC1, Esplanade, St Helier, Jersey, JE2 3BX.

The ultimate parent company is Vita Global Holdings Limited.

The Company's ultimate controlling party is Strategic Value Partners, LLC or its affiliates, all of which are partnerships located in the Cayman Islands:

Strategic Value Special Situations Master Fund III, LP  
Strategic Value Opportunities Fund, LP and  
Strategic Value Special Situations Master Fund IV, LP

### **11 Post balance sheet events**

The companies of which the Company is the immediate parent, Vitafoam Inc. and Metzeler Schaum Inc. were dissolved on 16 February 2021 and 10 February 2021, respectively.