

COURTAULDS INVESTMENTS LIMITED

REPORT AND ACCOUNTS

1995

COURTAULDS GROUP

COMPANY REGISTERED NO. 716444



COURTAULDS INVESTMENTS LIMITED REPORT OF THE DIRECTORS

The Directors submit their Report and the audited Accounts for the year ended 31 March 1995.

PRINCIPAL ACTIVITY

The Company's business is that of a holding company within the Courtaulds group.

REVIEW OF BUSINESS

The Company continued to act as an intermediate holding company for various Courtaulds overseas interests.

FINANCIAL RESULTS AND DIVIDEND

The results for the year are dealt with in the attached Profit and Loss Account. The Directors propose to declare that a first and final interim dividend of £15,000,000 be paid for the year on the Ordinary share capital of the Company. A profit of £8,845,620 was transferred to reserves.

Movements in fixed asset investments are shown in Note 1 to the Accounts.

DIRECTORS

The Directors of the Company who held office throughout the year were:

Mr G C W Cunningham

Mr M J Foulsham

Mr D A Stevens

Mr G C W Cunningham resigned from the Board on 23 June 1995, and Mr J R Wrangham became a Director on the same date.

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

	1 April 1994	31 March 1995
G C W Cunningham	-	-
M J Foulsham	1,500	1,500
D A Stevens	5,000	5,000

Courtaulds plc Executive Share Option Scheme

	1 April 1994	Granted	Exercised	31 March 1995
G C W Cunningham	-	-	-	-
M J Foulsham	15,000	-	-	15,000
D A Stevens	25,000	5,000	-	30,000

Courtaulds plc SAYE Share Option Scheme

	1 April 1994	Granted	Exercised	31 March 1995
G C W Cunnington	3,700	1,180	-	4,880
M J Foulsham	2,588	1,687	-	4,275
D A Stevens	3,958	843	-	4,801

Notes:

- (a) The interests under the share option schemes show the number of ordinary shares of Courtaulds plc over which Directors had options under the Courtaulds Executive Share Option Scheme II and the Courtaulds 1990 Savings-Related Share Option Scheme, and options granted or exercised during the year.
- (b) Executive Share Option Scheme - shares held under option were granted on 28 June 1990, 6 June 1991, 4 June 1992, 10 June 1993 and 9 June 1994 at prices per share of 339p, 395p, 555p, 535p and 511p respectively and are exercisable, in general, not earlier than three nor later than ten years after the date of grant.
- (c) SAYE Option Scheme - shares held under option were granted on 25 April 1990, 2 July 1991, 30 June 1992, 30 June 1993 and 5 July 1994 at prices per share of 271p, 316p, 444p, 428p and 409p respectively and are exercisable on completion of five years' saving under a related SAYE contract.

CLOSE COMPANY

The Company is not a close company within the meaning of Income and Corporation Taxes Act 1988.

AUDITORS

An elective resolution in accordance with Section 386 of the Companies Act 1985, as amended by the Companies Act 1989, dispensing with the requirement to re-appoint auditors on an annual basis has been passed. The Directors have been granted power to fix the remuneration of the auditors.

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 whether applicable accounting standards have been followed, subject to any material departures;
- to prepare the financial statements on a going concern basis.


The Directors confirm that they have complied with these requirements in preparing the financial statements on pages 5 to 9.

The Directors' responsibilities also include:

- keeping appropriate accounting records which disclose with reasonable accuracy the financial position of the Company at any time;

- 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.

By Order of the Board

A handwritten signature in black ink, appearing to be 'D A Stevens', written over several horizontal lines.

D A Stevens
Secretary

20 September 1995

50 George Street
London

Report of the auditors to the Members of Courtaulds Investments Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, 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 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 affairs of the Company as at 31 March 1995 and of the 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

20 September 1995
Southwark Towers
32 London Bridge Street
London SE1 9SY

COURTAULDS INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

	1995 £	1994 £
Income from shares in subsidiary undertakings	9,954,999	12,407,856
Interest receivable from subsidiary undertakings	8,242,758	12,936,830
Interest receivable from fellow subsidiary undertakings	11,543,741	2,113,091
Interest payable to subsidiary undertaking	(752,763)	(487,800)
Other interest	16,647	1,437
Other income	2,519	-
Provision against investments no longer required	10,000,000	-
(Deficit)/Surplus on translation and revaluation of foreign currency balances (net)	(12,782,206)	2,387,938
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	26,225,695	29,359,352
Taxation (Note 3)	(2,380,075)	(3,899,333)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	23,845,620	25,460,019
Dividend - proposed	(15,000,000)	(20,000,000)
TRANSFER TO RESERVES	8,845,620	5,460,019

RESERVES

PROFIT AND LOSS ACCOUNT

As at 31 March 1994	31,948,340
Profit for the year	8,845,620
As at 31 March 1995	40,793,960
CAPITAL CONTRIBUTION	
As at 31 March 1995 and 31 March 1994	148,695,414
TOTAL RESERVES	189,489,374

1. There were no other recognised gains or losses other than those shown in the profit and loss account.
2. All income and expenditure relates to continuing operations.
3. The profit and loss account reflects the total movement in shareholders' funds in the year.

The attached notes form part of these accounts

COURTAULDS INVESTMENTS LIMITED

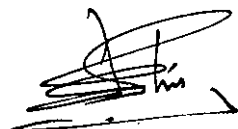
BALANCE SHEET AT 31 MARCH 1995

	1995 £	1994 £
FIXED ASSET INVESTMENTS (Note 1)	<u>73,982,931</u>	<u>63,029,053</u>
CURRENT ASSETS		
DEBTORS (Note 2)	<u>546,978,462</u>	<u>236,519,645</u>
CREDITORS (amounts falling due within one year)		
Amount owing to subsidiary undertakings	(51,149,645)	-
Dividend - proposed	(15,000,000)	(20,000,000)
Taxation	<u>(2,261,194)</u>	<u>(3,038,072)</u>
	<u>(68,410,839)</u>	<u>(23,038,072)</u>
NET CURRENT ASSETS	<u>478,567,623</u>	<u>213,481,573</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>552,550,554</u>	<u>276,510,626</u>
CREDITORS (amounts falling due after more than one year)		
Amount owing to parent undertaking	-	(57,409,723)
Amount owing to subsidiary undertakings	(13,558,537)	(8,179,860)
Amount owing to fellow subsidiary undertakings	<u>(322,163,919)</u>	<u>(2,938,565)</u>
	<u>(335,722,456)</u>	<u>(68,528,148)</u>
	<u>216,828,098</u>	<u>207,982,478</u>
SHARE CAPITAL		
Called up - allotted and fully paid		
Ordinary Shares of £1 each (Note 4)	<u>27,338,724</u>	<u>27,338,724</u>
RESERVES		
Profit and loss account	<u>40,793,960</u>	<u>31,948,340</u>
Capital Contribution	<u>148,695,414</u>	<u>148,695,414</u>
SHAREHOLDERS' FUNDS	<u>216,828,098</u>	<u>207,982,478</u>

Approved by the Board on 20 September 1995

Signed on behalf of the Board by:

D A STEVENS - DIRECTOR



The attached notes form part of these accounts

COURTAULDS INVESTMENTS LIMITED

ACCOUNTING POLICIES

Accounting convention

The financial statements have been drawn up under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Deferred taxation

Deferred taxation is provided for to the extent that it is probable that a liability will crystallise in the foreseeable future.

Foreign currencies

Foreign currency balances have been translated into sterling at rates at which the currencies could have been sold at 31 March 1995. Exchange differences arising have been dealt with through the profit and loss account.

NOTES TO THE ACCOUNTS AT 31 MARCH 1995

1 FIXED ASSET INVESTMENTS - SHARES IN SUBSIDIARY UNDERTAKINGS

	Total
COST	£
At 31 March 1994	83,101,603
Additions	852,878
Group transfer	101,000
At 31 March 1995	<u>84,055,481</u>
PROVISION	
At 31 March 1994	20,072,550
Movement in the year	<u>(10,000,000)</u>
At 31 March 1995	<u>10,072,550</u>
NET BOOK AMOUNT	
At 31 March 1995	<u>73,982,931</u>
At 31 March 1994	<u>63,029,053</u>

PRINCIPAL SUBSIDIARY UNDERTAKINGS

Name of Subsidiary	Country of Incorporation	Principal Activity	Share of equity capital held by the Company (by a subsidiary) %
Courtaulds Espana SA	Spain	Fibres	100
Courtaulds Holdings BV	Netherlands	Holding company	100
Courtaulds International Ltda	Brazil	Coatings	(100)
International Paint (Nederland) BV	Netherlands	Coatings	(100)
Courtaulds France (Holding) S.A.	France	Holding company	100
Courtaulds Films et Packaging SA	France	Films	(100)
Courtaulds Fibres SA *	France	Fibres	(100)
International Celomer SFPV	France	Coatings	(97)
International Paint France SA	France	Coatings	(100)

* including 10% held by the Company

To avoid a list of excessive length, certain subsidiary undertakings, none of which is material in relation to the Accounts are omitted. Of the subsidiaries omitted, none is incorporated in the United Kingdom. A full list of subsidiary undertakings will be submitted with the Annual Return.

At 31 March 1995, the Company was a wholly owned subsidiary undertaking of Courtaulds plc and Group accounts are not therefore prepared and taking advantage of the Companies Act 1985, Schedule 5 (para 17), these accounts do not give information regarding the results of its subsidiaries. The Directors state that, in their opinion, the aggregate value of the assets of the Company consisting of shares in, or amounts owing from the Company's subsidiary undertakings is not less than the aggregate of the amounts at which these assets are included in the balance sheet.

COURTAULDS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1995 (continued)

2 DEBTORS	1995	1994
(Amounts falling due within one year)	£	£
Amount owing by parent undertaking	141,857,365	-
Amount owing by subsidiary undertakings	1,350	178,928
Amount owing by fellow subsidiary undertakings	560,398	116,463
Taxation	-	103,595
	<u>142,419,113</u>	<u>398,986</u>
(Amounts falling due in over one year)		
Amount owing by subsidiary undertakings	168,469	112,820,750
Amount owing by fellow subsidiary undertakings	404,390,880	123,299,909
	<u>404,559,349</u>	<u>236,120,659</u>
	<u>546,978,462</u>	<u>236,519,645</u>

Amounts falling due in over one year could be repaid in under one year by mutual consent of the parties.

3 TAXATION

	1995	1994
	£	£
UK Corporation Tax at 33% (1994 33%) after deducting £2,591,000 double taxation relief (1994 £2,118,000)	7,498,595	14,424,168
Less: Advance Corporation Tax Recoverable	<u>(5,244,000)</u>	<u>(10,793,000)</u>
	2,254,595	3,631,168
Taxation Abroad	<u>204,480</u>	<u>201,676</u>
	2,459,075	3,832,844
Prior year adjustment	<u>(79,000)</u>	<u>66,489</u>
	<u>2,380,075</u>	<u>3,899,333</u>

The Company's taxation charge has benefited from the effects of certain timing differences amounting to £299,000.

No provision has been made for deferred tax on the basis that timing differences are expected to be replaced by equivalent balances for the foreseeable future. Had deferred tax been provided in full, a deferred tax liability of £17,000 (1994 - £283,000 asset) would have arisen in respect of short term timing differences.

For the years ended 31 March 1995 and 1994, the Company has received the benefit of Advance Corporation Tax surrendered to it by the Parent Company for no consideration.

4 SHARE CAPITAL

At 31 March 1995 and 31 March 1994, the Company's authorised capital was 40,000,000 shares of £1 each.

COURTAULDS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1995 (continued)

5 PARENT COMPANY

The Company's joint immediate parent companies are Courtaulds Investment Services Limited and Courtaulds Management Services Limited and its ultimate parent company is Courtaulds plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the group accounts of Courtaulds plc may be obtained from The Secretary, Courtaulds plc, 50 George Street, London W1A 2BB.

6 REMUNERATION OF DIRECTORS

No emoluments were paid to the Directors by the Company during the year.

7 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 1995. Under paragraph 8(c) of FRS1, no cash flow statement is required for this company.

8 AUDITORS' REMUNERATION

The auditors' remuneration has been borne by the Company's parent company.