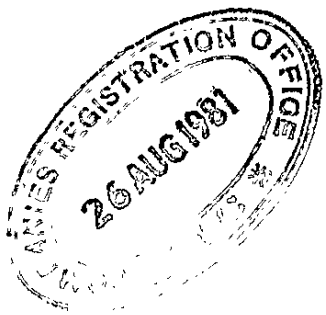
COURTAULDS ACETATE LIMITED

Particulars of Subsidiary and Associated Companies as at 31st March, 1981

Subsidiary Companies	Courtaulds Acetate Limited's share of equity capital
	%
Courtaulds Acetate (Overseas) Limited	100
Cumberland Filter Co. Limited	51
Madreplastica S.p.A. (Incorporated in Italy)	51
Rocel Limited	70
Associated Companies	
Baumgartner Papiers Limited	49
Lego U.K. Limited	33⅓
Nelsons Acetate Limited	50



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COURTAULDS ACETATE LIMITED

(formerly British Celanese Limited)

FINANCIAL STATEMENTS

1980-1981

COURTAULDS ACETATE LIMITED

formerly

BRITISH CELANESE LIMITED
(A wholly owned Subsidiary of Courtaulds Limited
which is incorporated in Great Britain)

R E P O R T O F T H E D I R E C T O R S

The Directors have pleasure in submitting their report and financial statements for the year ended 31st March, 1981.

CHANGE OF NAME

The name of the Company was changed to Courtaulds Acetate Limited on 25th March, 1981, pursuant to an agreement whereby all the Company's rights and title to the trade mark and trading name "Celanese" were assigned to Celanese Corporation of U.S.A.

PRESIDENT

C.H. COLTON, C.B.E.

DIRECTORS

H. BEAUFOY, Chairman
J.R. SMITH, Managing Director
G.A. CAMPBELL
W. HENSTEAD
J.W. JOHNSON
G.B. PHILIPSON
J.B. WALMISLEY
S.J. YOUNG

Dr. W.C. Frith resigned from the Board on 18th July, 1980. Mr. S.J. Young was appointed a Director on 23rd September, 1980.

In accordance with the Articles of Association all the Directors retire from office at the Annual General Meeting and being eligible offer themselves for re-election.

SECRETARY AND REGISTERED OFFICE

C. Snell, F.C.I.S., 18, Hanover Square, London, W1A 2BB.

REGISTRARS

Linden Registrars, P.O. Box No. 67, Bocking Church Street, Braintree, Essex, CM7 5NE.

AUDITORS

Thomson McLintock & Co., Chartered Accountants, 70, Finsbury Pavement, London, EC2A 1SX.

FINANCIAL

The results for the year and appropriations are set out on page 6. It is recommended that no dividend be paid in respect of the year ended 31st March, 1981 (1980-£0.90) on the ordinary share capital.

TRADING AND PRINCIPAL ACTIVITIES

The principal activities of the Company and its Subsidiaries are the manufacture of acetate yarns and fibres, plastics and chemicals.

EXPORTS

Export sales by the Company and its Subsidiaries during the year amounted to £11,873,000 (1980 - £21,627,000). In addition there were exports of £65,267,000 (1980 - £61,618,000) through a Fellow Subsidiary.

ASSETS

The shares in National Plastics Limited were transferred to Courtaulds Limited with effect from 1st April, 1980. The previous year comparative figures in the accounts remain as stated last year, including the assets and liabilities of National Plastics Limited.

DIRECTORS' INTERESTS

The interest of the directors in office at 31st March, 1981 in the share and loan capital of the holding company, Courtaulds Limited, and its subsidiaries in accordance with the Register maintained pursuant to Section 29 of the Companies Act 1967 were as follows:-

Director	Class of share/stock	Unit	Number at 1st April 1980 or date of appointment if later	Number at 31st March 1981
(a) in Courtaulds Limited				
H. Beaufoy	Ordinary Shares	25p	116	116
J.R. Smith	-	-	-	-
G.A. Campbell	Ordinary Shares	25p	25	25
W. Henstead	-	-	-	-
J.W. Johnson	Ordinary Shares	25p	352	352
	7% Debenture Stock	50p	26	26
G.B. Philipson	Ordinary Shares	25p	340	340
	7% Debenture Stock	50p	20	20
J.B. Walmisley	-	-	-	-
S.J. Young	-	-	-	-
(b) in the International Paint Company Limited				
W. Henstead	Ordinary Shares	25p	2,000	2,000

REPORT OF THE DIRECTORS - continued

AUDITORS

The auditors, Messrs. Thomson McLintock & Co., have indicated their willingness to continue in office. A resolution re-appointing them as auditors and fixing their remuneration will be submitted to the Annual General Meeting.

By order of the Board,

C. SNELL
Secretary.

London, 18th May, 1981

AUDITORS' REPORT

TO THE MEMBERS OF COURTAULDS ACETATE LIMITED

We have audited the financial statements on pages 5 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the company and the group at 31st March, 1981 and of the result and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1980.

THOMSON McLINTOCK & CO.
Chartered Accountants

London. 18th May, 1981.

ACCOUNTING POLICIES

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost to the group company which originally purchased them after deducting investment grants. Depreciation is based on fixed percentages of net cost at such rates as will write off the cost of the various assets over the period of their expected useful lives. Buildings are depreciated over 48 years and plant and equipment over periods ranging between 8 and 25 years.

BASIS OF STOCK VALUATION

Stocks are stated at cost or net realisable value, whichever is lower. Cost includes production overheads.

DEFERRED TAXATION

Deferred taxation is provided only in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that there is a reasonable probability that such deferred taxation will be payable within the foreseeable future after taking into account the availability of group relief. Timing differences are due primarily to the excess of U.K. accelerated taxation allowances on capital expenditure over the corresponding depreciation charged in the accounts.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year in which it is incurred.

FOREIGN CURRENCIES

Assets and liabilities have been converted into sterling at the market rates at 31st March 1981 subject to forward cover contracts.

CONSOLIDATION

The Consolidated Profit and Loss Account and Balance Sheet include the accounts of the Company and its subsidiaries made up to 31st March 1981. The Group's share of the profits of Associated Companies has been included in the Profit and Loss Account and the Group's interest in these companies is shown in the Group Balance sheet. Following the transfer of National Plastics Limited to Courtaulds Limited with effect from 1st April, 1980 the comparative figures have not been restated.

COURTAULDS ACETATE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

	Notes	For the year ended 31st March 1981 £000	1980 £000
Sales to external customers		137,527	190,007
Trading (loss)/profit	1	(3,991)	9,159
Group share of Profit of Associated Companies		287	383
Net (loss)/profit for the year before taxation		(3,704)	9,542
Taxation	2	(53)	(184)
Net (loss)/profit after taxation		(3,757)	9,358
Minority Interest		124	(24)
Extraordinary item	4	(3,337)	(1,770)
Deferred tax released		-	3,786
Net (loss)/profit attributable to Courtaulds Acetate Limited		(6,970)	11,350
Dividends			
Preference	395		395
Ordinary	-	(395)	6,767 (7,162)
		(7,365)	4,188
(Loss)/profit retained: Courtaulds Acetate Limited		(7,258)	3,419
Subsidiary Companies		(191)	753
Associated Companies		84	16
		(7,365)	4,188

COURTAULDS ACETATE LIMITED

GROUP BALANCE SHEET

	Notes	As at 31st March 1981 £000	£000	1980 £000	£000
Share Capital	5		15,269		15,269
Reserves	6		51,828		59,193
Minority Interests in Subsidiaries			274		414
Loan Capital			-		423
			67,371		75,299
Fixed Assets	8		38,182		46,001
Investments in Associated Companies	9		1,347		1,263
			39,529		47,264
Current Assets					
Stocks	10	15,275		25,205	
Debtors		2,574		3,914	
Taxation	12	23		-	
Owing by Courtaulds Limited and Fellow Subsidiaries		38,859		45,133	
Bank and Cash	11	4,788		2,083	
		61,519		76,335	
Current Liabilities					
Creditors		33,202		40,856	
Overdrafts		-		139	
Taxation	12	-		47	
Owing to Fellow Subsidiaries		475		491	
Dividends		-		6,767	
		33,677		48,300	
Net Current Assets			27,842		28,035

J.R. SMITH)
) DIRECTORS
S.J. YOUNG)

18th May 1981

COURTAULDS ACETATE LIMITED

COMPANY BALANCE SHEET

	Notes	As at 31st March 1981 £000	£000	1980 £000	£000
Share Capital	5		15,269		15,269
Reserves	6		50,482		55,127
Loan Capital			-		423
			65,751		70,819
Fixed Assets	8		37,934		37,375
Investments in Subsidiaries	13		1,223		7,039
Investments in Associated Companies at cost	9		376		376
			39,533		44,790
Current Assets					
Stocks	10	15,072		19,890	
Debtors		1,308		1,382	
Owing by Courtaulds Limited and Fellow Subsidiaries		38,526		44,443	
Bank and Cash	11	4,772		271	
		59,678		65,986	
Current Liabilities					
Creditors		32,984		32,579	
Taxation		3		-	
Overdrafts		-		139	
Owing to Fellow Subsidiaries		473		472	
Dividends		-		6,767	
		33,460		39,957	
Net Current Assets			26,218		26,029
			65,751		70,819

J.R. SMITH)
) DIRECTORS
S.J. YOUNG)

18th May 1981

COURTAULDS ACETATE LIMITED

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	For the year ended 31st March 1981		1980	
	£000	£000	£000	£000
SOURCE OF FUNDS				
(Loss)/profit before taxation		(3,704)		9,542
Adjusted for items not involving movement of funds:				
Depreciation		4,726		5,859
Profit retained in Associated Companies		(84)		(16)
TOTAL GENERATED FROM OPERATIONS		938		15,385
Disposal of fixed assets *		8,485		184
		9,423		15,569
APPLICATION OF FUNDS				
Extraordinary item	(2,306)		-	
Dividends paid to holding company	(7,162)		(4,447)	
Dividends paid to minority interests	(16)		(34)	
Purchase of fixed assets	(6,423)		(14,164)	
Debentures redeemed	(423)		(1)	
Tax paid *	(123)	(16,453)	(203)	(18,849)
		(7,030)		(3,280)
(INCREASE)/DECREASE IN WORKING CAPITAL				
Stocks *	9,930		(2,977)	
Debtors *	1,340		(826)	
Amounts owing from Courtaulds Group *	6,274		1,760	
Creditors *	(7,654)		6,363	
Amounts owing to Courtaulds Group *	(16)	9,874	344	4,664
		2,844		1,384
MOVEMENT IN NET LIQUID FUNDS				
Cash balances *	2,705		1,280	
Overdrafts	139	2,844	104	1,384

* Note 16 provides an analysis of the transfer of National Plastics Limited to Courtaulds Limited.

	For the year ended 31st March 1981 £000	1980 £000
1. TRADING (loss)/profit is after charging:		
Depreciation	4,726	5,859
Audit fees and expenses	45	62
Hire of plant and equipment	688	978
Interest paid on bank overdrafts and loans repayable within five years	612	64
and after crediting:		
Interest received	-	117
2. TAXATION		
U.K. Corporation Tax at 52% based on the profits of the year	(62)	190
Advance Corporation Tax recoverable	36	(62)
Overseas Tax	3	1
Adjustments in respect of previous years	-	(20)
	(23)	109
Associated Companies share of Corporation Tax - on the year's taxable profits	76	75
	53	184

The company's taxation charge has benefited from the effects of capital allowances and certain other timing differences amounting to £263,000 (1980 £4,519,000 including Stock Appreciation Relief). The resultant taxable loss has been set against the profits of other Courtaulds Group companies.

The new Stock Appreciation Relief proposals confirmed in the Chancellor's budget speech of 10th March have been applied in the calculation of the 1981 taxation charge. Should the new Stock Appreciation Relief proposals not be enacted, there will be no effect on the tax charge for the year.

	For the year ended 31st March 1981	1980
3. REMUNERATION OF DIRECTORS		
Remuneration including pension contributions	164	129
Pension to former director's widow	3	3
	167	132
Directors' emoluments excluding pension contributions		
The Chairman and highest paid director	27	-
Highest paid director (1981 - Chairman)	-	22

Other Directors

	Numbers 1981	1980
£- up to 5,000	-	2
5,001 to 10,000	2	-
10,001 to 15,000	-	2
15,001 to 20,000	5	4
20,001 to 25,000	-	-
25,001 to 30,000	1	-

4. EXTRAORDINARY ITEM

Corporate reorganisation during the year included the closure of the Lansil Works at Lancaster and the change of the company name. The Extraordinary item comprises the costs of reorganisation less the anticipated proceeds of the disposal of assets arising therefrom and includes £1,031,000 additional depreciation of Plant and Machinery.

5. SHARE CAPITAL

	Authorised (£1 shares) £000	Issued and converted into stock (£1 units) £000
7% (now 4.9%) Cumulative first preference	3,500	3,500
7½% (now 5.25%) Second cumulative preference	4,250	4,250
Ordinary	12,000	7,519
	19,750	15,269

6. RESERVES

	Group £000	Company £000
At 31st March 1980	59,193	55,127
Surplus on transfer of National Plastics Limited	-	2,613
Loss retained - Courtaulds Acetate Ltd.	(7,449)	(7,258)
Associated Companies	84	-
	51,828	50,482

Group reserves include attributable retained profits and reserves of Associated Companies since acquisition amounting to £971,000 (1980 - £887,000), of which £665,000 is not distributable.

7. The Company's undertaking and assets together with those of certain Subsidiaries have been charged to secure the following indebtedness of Courtaulds Limited: £39,588,578, 7% Debenture Stock 1982/1987 and £17,745,625, 7¾% Debenture Stock 1989/1994.

3. FIXED ASSETS

	Land and Buildings				Plant and equipment	Total
		Leasehold				
	Freehold £000	Long Term £000	Short Term £000	Total £000	£000	£000
GROUP						
Net Book amount at 31st March 1980	1,345	7,243	7	8,595	37,406	46,001
Additions	2	280	-	282	6,141	6,423
	1,347	7,523	7	8,877	43,547	52,424
Less: National Plastics Ltd.	705	193	-	898	7,476	8,374
Disposals/Redundant Plant Write Off	10	21	6	37	1,105	1,142
Depreciation	27	296	1	324	4,402	4,726
Net Book amount at 31st March 1981	605	7,013	-	7,618	30,564	38,182
Representing Cost	1,796	14,479	3	16,278	89,977	106,255
Accumulated Depreciation	1,191	7,466	3	8,660	59,413	68,073
COMPANY						
Net Book amount at 31st March 1980	640	7,049	4	7,693	29,682	37,375
Additions	2	280	-	282	6,083	6,365
	642	7,329	4	7,975	35,765	43,740
Less: Disposals/Redundant Plant Write Off	11	20	4	35	1,103	1,138
Depreciation	26	296	-	322	4,346	4,668
Net Book amount at 31st March 1981	605	7,013	-	7,618	30,316	37,934
Representing Cost	1,796	14,479	3	16,278	89,140	105,418
Accumulated Depreciation	1,191	7,466	3	8,660	58,824	67,484

9. INVESTMENTS IN ASSOCIATED COMPANIES

In accordance with standard accounting practice, the Group's interest in Associated Companies is shown in the Group balance sheet. Details of these companies, all of which are unquoted, are given on page 17. The Directors estimate that the market value of the investments is at least equal to the value shown in the Group balance sheet.

	Group	
	1981	1980
	£000	£000
Preferred ordinary shares at cost	263	263
Equity shares at cost	113	113
	376	376
Group share of post-acquisition retained profits and reserves	971	887
	1,347	1,263

10. STOCKS

	Group		Company	
	1981	1980	1981	1980
	£000	£000	£000	£000
Stocks comprise:				
Raw Materials	3,329	5,629	3,252	4,241
Work in progress and finished goods	11,946	19,576	11,820	15,649
	15,275	25,205	15,072	19,890

11. BANK AND CASH

The company and certain other fellow subsidiaries are parties to a group banking facility under which the balance standing to the credit of the company on this group account at the year end may be used to offset liabilities of other fellow subsidiaries to the bank. The amount standing to the credit of the company under this arrangement at the company's year end was £4,742,000.

12. TAXATION

	Group		Company	
	1981 £000	1980 £000	1981 £000	1980 £000
Taxation includes U.K. Corporation Tax payable 1st January 1982.	-	54	-	-

DEFERRED TAXATION is the amount provided by companies where there is a reasonable probability of payment in the foreseeable future. The potential amount of deferred taxation and relief is as follows:

	Group	
	1981 £000	1980 £000
U.K. Capital Allowances	18,644	22,374
Other U.K. and Overseas timing differences	(2,149)	(2,400)
U.K. unused tax losses	-	-
ACT recoverable	-	-

The potential clawback of Stock Appreciation Relief, assuming the new stock relief proposals confirmed in the Chancellor's budget speech on 10th March 1981 are not enacted, will be £1,373,000 (1980 £4,503,000).

13. INVESTMENTS IN SUBSIDIARIES

	1981 £000	1980 £000
Shares, at cost less amounts provided	135	1,360
Amounts owing by Subsidiaries	1,647	6,239
	1,782	7,599
Amounts owing to Subsidiaries	(559)	(560)
	1,223	7,039

Details of principal Subsidiaries are given on page 17.

14. CAPITAL COMMITMENTS

	Group		Company	
	1981 £000	1980 £000	1981 £000	1980 £000
Outstanding commitments in respect of uncompleted contracts for capital expenditure	731	4,515	726	4,111
Capital expenditure authorised but not yet the subject of a contract	4,207	9,719	4,196	9,173

15. CONTINGENT LIABILITIES

Guarantee of Steel Cords Ltd. overdraft with Lloyds Bank	460	-	460	-
Instalments unpaid re leased assets	2,256	-	2,256	-
	2,716	-	2,716	-

16. ANALYSIS OF TRANSFER OF NATIONAL PLASTICS LIMITED TO COURTAULDS LIMITED AS AT 1ST APRIL 1980.

Net Assets Transferred	£000
Fixed Assets	8,374
Stocks	4,950
Debtors	563
Tax	14
Cash	1,665
Creditors	(8,164)
Debts due to fellow subsidiaries	(3,642)
	3,760

Discharged by	£000
Debt due by Courtaulds Ltd.	3,760
	3,760

17. ULTIMATE HOLDING COMPANY

Courtaulds Acetate Limited is a wholly owned subsidiary of Courtaulds Limited which is incorporated in Great Britain.

	activities	Limited's share of equity capital %
Subsidiary Companies		
(All incorporated in Great Britain)		
British Celanese (Overseas) Limited		
Equity capital £1,000	Export of chemical and plastic products	100
Cumberland Filter Company Limited		
Equity capital £10,000	Trading ceased November 1980	51
Rocel Limited		
Equity capital £163	Manufacture of extruded acetate strip and sheet for the optical trade	70

To avoid a list of excessive length, particulars of certain Subsidiaries, none of which is material to the annexed profit and loss account and balance sheet, are omitted and will be dealt with in the forthcoming annual return.

Associated Companies		
(All incorporated in Great Britain)		
Baumgartner Papiers Limited		
Equity capital £5,000	Distribution of cigarette filters	49
Nelsons Acetate Limited		
Equity capital £27,752		
Preference capital £1,750	Manufacture of acetate flake	50
Lego U.K. Limited		
Equity capital £300,000	Distribution of plastic toy building systems	33⅓

The financial year end of Lego U.K. Limited is December 31st.