

STATEMENT PURSUANT TO SECTION 184 AND PART B
OF THE TENTH SCHEDULE TO THE COMPANIES ACT
1961, OF THE STATE OF VICTORIA.

IN THE MATTER of
F & T INDUSTRIES LIMITED

and

IN THE MATTER of
STEGBAR LIMITED

The following particulars relating to F & T Industries Limited are hereby given to Stegbar Limited pursuant to the said Act.

1. The names, addresses and descriptions of the directors of F & T Industries Limited are as follows:-

<u>Name and Address</u>	<u>Description</u>
Sir Robert Joseph Webster, C.M.G., C.B.E., M.C. 2 Buena Vista Avenue, <u>MOSMAN.</u> New South Wales.	Company Director (Chairman)
Robert Neil Millar, 16 Kenley Court, <u>TOORAK.</u> Victoria.	Company Director (Managing Director)
Henry Wells Rowden, "Brentwood", Clyde Road, <u>BERWICK.</u> Victoria.	Company Director
Leonard Alex Lochrin, 18 Cowan Road, <u>ST.IVES.</u> New South Wales.	Company Director
Sir Walter Scott, C.M.G., "The Anchorage", 5 Milson Road, <u>CREMORNE POINT.</u> New South Wales.	Management Consultant
Sir Frank Horton Berryman, K.C.V.O., C.B., C.B.E., D.S.O. 17 Wentworth Street, <u>POINT PIPER.</u> New South Wales.	Company Director
Sir Ewen McIntyre Waterman, "Blackwood Park", <u>STRATHALBYN.</u> South Australia.	Company Director
Wilfred Hodson Thornton, "Applecross", St. Georges Road, <u>UPPER BEACONSFIELD.</u> Victoria.	Company Director

2. (a) The principal activities of F & T Industries Limited are - the manufacture of floorcoverings, footwear, plastics, non-woven fabrics, felts, flocks and waddings, and bedding.
2. (b) No shares in Stegbar Limited are held by or on behalf of F & T Industries Limited.
3. A report by the Company's Auditors, Messrs. Peat, Marwick, Mitchell & Co., is attached.
4. The Directors of F & T Industries Limited report that after due enquiry by them in relation to the interval between the date to which the last accounts have been made up, namely, the 31st day of December, 1970 and the 18th day of May, 1971, being a date not earlier than fourteen days before the date of this statement:

- (a) the business of the Company has in their opinion been satisfactorily maintained.
- (b) there have not in their opinion arisen any circumstances adversely affecting the Company's trading or the value of its assets.
- (c) the current assets appear in the books of the Company at values which are believed to be realisable in the ordinary course of business.
- (d) there are no contingent liabilities by reason of any guarantees given by the Company or any of its subsidiaries save and except the following -

Guarantees in respect of bank overdrafts granted to Associated Companies, viz.

(i) By the National Bank of Australasia	\$150,000
(ii) By the Australia & New Zealand Banking Group Ltd.	\$ 95,000

Guarantee given to Department of Customs and Excise in respect of duty on machinery. \$ 30,000

- (e) since the last annual report:-

- (i) The following changes have occurred in the published reserves of the Company and its subsidiaries:-

	<u>F & T Industries Ltd. and Subsidiaries</u> \$	<u>F & T Industries Limited</u> \$
Premiums on issues of shares on acquisition of subsidiary	3,520,228	3,520,228
Decrease relating to re-valuation of land and buildings	(610,982)	(610,982)
Net increase in parent company's share of capital reserves pursuant to acquisition of, and changes in shareholdings in, subsidiary companies.	5,460	-

	<u>F & T</u> <u>Industries</u> <u>Ltd. and</u> <u>Subsidiaries</u> \$	<u>F & T</u> <u>Industries</u> <u>Limited</u> \$
Consideration for issue of share options to employees	1,585	1,585
Net profit (loss) from extraordinary items transferred from Profit and Loss Account	<u>75,145</u>	<u>(19,427)</u>
	2,991,436	2,891,404
<u>Less</u> Goodwill on consolidation of accounts of subsidiary companies	<u>5,562,313</u>	<u>-</u>
	<u>(2,570,877)</u>	<u>2,891,404</u>

The net alteration to reserves in the period is therefore a decrease of \$2,570,877 in the consolidated accounts and an increase of \$2,891,404 in the accounts of the parent company.

- (ii) The following unusual factors have affected the profit of the Company:-
- (a) In July, 1970 the Company acquired 63.6% of the shares in Elmaco Industries Limited and made a takeover offer for the balance of the shares in that Company. The takeover offer was accepted by the necessary majority of the shareholders of Elmaco Industries Limited and the Company is now a wholly owned subsidiary.
 - (b) In September, 1970 the Company made a takeover offer for the shares in Shelton Industries Limited, and that Company is now a wholly owned subsidiary.
- (iii) There are no unusual factors affecting the profit of any of the subsidiaries of the Company.

5. During the five years immediately preceding the 18th day of May, 1971 the following alterations have occurred in the capital structure of the Company and its subsidiaries:-

F & T INDUSTRIES LIMITED

May 1970	Issued capital reduced from \$13,840,296.50 divided into ordinary stock transferable in amounts of 50 cents or multiples thereof to \$6,920,148.25 divided into ordinary stock transferable in amounts of 25 cents or multiples thereof by returning to stockholders 25 cents for each 50 cent unit held. Authorised capital increased back to \$20,000,000 divided into 80,000,000 shares of 25 cents each.
June 1970	Issued capital increased by the allotment of 372,208 shares of 25 cents each for the acquisition of H.J. Penno & Co. Pty. Ltd.

- July/December 1970 Issued capital increased by the allotment of 4,467,046 shares of 25 cents each in connection with the acquisition of shares in Elmaco Industries Limited.
- September/
December 1970 Issued capital increased by the allotment of 1,400,000 shares of 25 cents each in connection with the acquisition of shares in Shelton Industries Limited.

FELT AND TEXTILES OF QUEENSLAND LIMITED

- June 1966 Reduction of capital from \$2,000,000 to \$1,493,550 divided into 746,775 shares of \$2 each by cancelling capital unrepresented by available assets.

F & T CARPETS PROPRIETARY LIMITED (formerly known as B.A.C.M. Carpets Pty. Ltd. and before that as British Australian Carpet Manufacturing Co. Pty. Ltd.)

- August 1966 Increase in authorised capital of Company from \$3,000,000 to \$5,000,000 by the creation of 1,000,000 shares of \$2 each.
- September 1966 Increase of \$300,000 in issued and paid up capital by the issue for cash of 150,000 shares of \$2 each to existing shareholders.
- July 1967 Increase of \$300,000 in issued and paid up capital by the issue for cash of 150,000 shares of \$2 each to existing shareholders.
- July 1968 Increase of \$300,000 in issued and paid up capital by the issue for cash of 150,000 shares of \$2 each to existing shareholders.
- July 1970 Increase of \$600,000 in issued and paid up capital by the issue for cash of 300,000 shares of \$2 each to existing shareholders.

F & T PLASTICS (AUSTRALIA) PROPRIETARY LIMITED (formerly known as Storey Bros. (Australia) Pty. Ltd. and before that as Storey Davies & Co. Pty. Ltd.)

- August 1969 Increase of \$276,000 in issued and paid up capital by capitalisation of \$160,000, being part of the balance standing to the credit of the profit and loss appropriation account, by the issue of 80,000 shares of \$2 each to existing shareholders, and by the issue of 58,000 shares of \$2 each to Storey Bros. & Co. Ltd. (U.K.) in consideration of the cancellation of royalties payable.
- Increase of \$1,424,000 in issued and paid up capital by the issue of 712,000 shares of \$2 each to F & T Industries Limited in part consideration for the acquisition of stock and fixed assets from that Company.

F & T INDUSTRIES (N.S.W.) PROPRIETARY LIMITED (formerly known as Felt and Textiles of N.S.W. Pty. Ltd. and before that as Vono (Australia) Pty. Ltd.)

- July 1967 Increase in the authorised capital of the Company from \$260,000 to \$800,000 by the creation of 1,080,000 shares of 50 cents each, including redeemable preference shares.
- April 1968 Increase in the issued and paid up capital of the Company by the issue of 1,080,000 redeemable preference shares of 50 cents each to the existing shareholder, F & T Industries Limited, for cash.

(This Company is now in voluntary liquidation)

F & T CARPET DISTRIBUTORS (MALAYSIA) SDN. BERHAD (formerly known as Felt and Textiles (Malaysia) Limited)

- May 1966 Increase of \$M199,980 (\$A58,818) to \$M200,000 (\$A58,824) in the issued and paid up capital of the Company by the issue of 19,998 shares of \$M10 (\$A3) each for cash.
- December 1968 Transfer of 20,000 shares of \$M10 (\$A3) each from F & T Industries Limited to F & T Carpets (Malaysia) Sdn. Berhad.

F & T CARPETS (MALAYSIA) SDN. BERHAD (formerly known as The Carpet Manufacturing Company (Malaysia) Limited)

- December 1968 Increase of \$M300,000 (\$A88,235) in the issued and paid up capital representing 300,000 shares of \$M1 (29 cents A) each issued to F & T Carpets Pty. Ltd., the consideration being:-

	\$M	\$A
Capitalisation of profits in profit and loss appropriation account.	37,873	11,139
Capitalisation of profits in capital reserves.	32,818	9,652
Cash	229,309	67,444
	300,000	88,235

- March 1969 Increase of \$M250,000 (\$A73,529) in the issued and paid up capital representing 250,000 ordinary shares of \$M1 (29 cents A) each issued for cash to F & T Carpets Pty. Ltd.
- April 1969 The sale of 142,500 shares of \$M1 (29 cents A) each in F & T Carpets (Malaysia) Sdn. Berhad by F & T Carpets Pty. Ltd. to Singapore Carpet Manufacturers Private Limited for \$M142,500 (\$A41,912).

6. There is no restriction on the right to transfer the ordinary shares of Stegbar Limited and no requirement that ordinary shareholders, before transferring their shares, should offer them for purchase to members of Stegbar Limited or to any other person.
7. F & T Industries Limited will pay the cash consideration for the ordinary shares in Stegbar Limited by cheque out of its general funds which are sufficient for that purpose. No other arrangements have been or will be made to secure payment of the cash portion of the purchase consideration.
8. It is intended that Messrs. B.J. Stegley, J.G. Simms and G.W. Wetzlar will enter the employment of F & T Industries Limited and that they will remain on the Board of Stegbar Limited. Save as aforesaid it is not proposed in connection with the offer to purchase the ordinary shares of Stegbar Limited to make any payment or confer any benefit upon any director of Stegbar Limited or of any corporation which is deemed by virtue of the Companies Act 1961 to be related to that Company as compensation for any loss of office.
9. There is no arrangement between F & T Industries Limited and any of the directors of Stegbar Limited in connection with or conditional upon the outcome of the offer to acquire the ordinary shares of Stegbar Limited.
10. F & T Industries Limited has no knowledge of any material change in the financial position of Stegbar Limited since the date of the last balance sheet laid before that Company in general meeting.
11. There is no agreement or arrangement whereby any shares in Stegbar Limited acquired by F & T Industries Limited will be transferred to any other person.
12. The ordinary shares of F & T Industries Limited are listed on the following Stock Exchanges, namely:

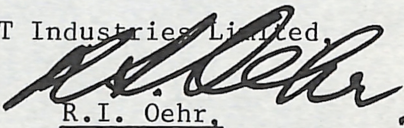
Sydney
Melbourne
Adelaide
Brisbane
Perth
Hobart
Wellington (N.Z.)

- (a) The latest available market sale price for the ordinary 25 cent shares of F & T Industries Limited on the Melbourne Stock Exchange (being the Stock Exchange at which there have been the greatest number of recorded dealings in those shares in the three months immediately preceding the date of the Notice of Takeover Scheme) is \$1.01.
- (b) The highest and lowest market sale prices of those shares during the three months immediately preceding that date and the respective dates of those sales are -

	<u>Highest</u>		<u>Lowest</u>
	\$1.02	30/4/1971	90 cents 9/3/1971
		3/5/1971	10/3/1971
		17/5/1971	

DATED the 19th May, 1971.

F & T Industries Limited.


R.I. Oehr.
Secretary.