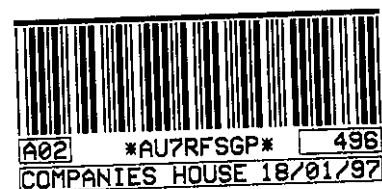


APOLLO CHEMICALS LIMITEDDIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS30TH APRIL 1996

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APOLLO CHEMICALS LIMITEDGENERAL INFORMATION - 30TH APRIL 1996Directors

J.H. Davis.
R.F. Saunders.
H.A. Davis.
G. Saunders.
A.E. Jones.

Secretary

R. Smithers.

Registered office

Ashford House,
95, Dixons Green,
Dudley,
West Midlands.

Company number

1052410. (England and Wales)

Auditors

Ronald Shaw & Co.,
Ashford House,
95, Dixons Green,
Dudley,
West Midlands.

Solicitors

Vernon Shakespeare,
15/17, Church Street,
Oldbury,
Warley,
West Midlands.

Bankers

The Royal Bank of Scotland PLC.,
31/33, Birmingham Road,
Sutton Coldfield,
West Midlands.

APOLLO CHEMICALS LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30th April 1996.

Business review

The principal activity of the company consists of manufacturing and factoring adhesives. There has been no significant change in this activity during the year.

	<u>1996</u> £	<u>1995</u> £
Turnover	11,867,593	9,315,912
Profit before taxation	25,476	70,345
Taxation	(21,744)	(23,139)
Profit for the year	£3,732	£47,206

All the turnover and profit before taxation arose from the above activity. An analysis of the turnover by geographical segment is given in note 2 to the financial statements.

The level of activity and the year end financial position were satisfactory, and the directors expect that the present level of activity will be maintained during the year ending 30th April 1997.

Dividends

The directors declared and paid a dividend of £7,500 on the 14th February 1996 for the year ended 30th April 1996.

Directors

The directors of the company at 30th April 1996, all of whom had been directors for the whole of the year ended on that date, were:-

J.H. Davis
R.F. Saunders
H.A. Davis
G. Saunders
A.E. Jones - (appointed 1st January 1996)

In accordance with the articles of association H.A. Davis and G. Saunders retire by rotation and, being eligible, offers themselves for re-election.

APOLLO CHEMICALS LIMITEDREPORT OF THE DIRECTORS
(continued)Directors interests in the shares of the company

The directors R.F. Saunders and J.H. Davis are also directors of the ultimate holding company Apollo Chemicals Holdings Limited and accordingly particulars of their interests in that company are included within that company's directors report.

Charitable contributions

During the year the company made charitable contributions of £87 (1995 £866).

Fixed assets

The movements in fixed assets during the year are set out in the table on page 16.

The directors are of the opinion that the value of the freehold and leasehold land and buildings is approximately £1,400,000 compared with a book value of £1,075,106.

Auditors

A resolution in accordance with section 385, Companies Act 1985, for the re-appointment of Ronald Shaw & Co., as auditors of the company, is to be proposed at the forthcoming annual general meeting.

Signed on behalf of the board
of directors.



.....
R. Smithers.
Secretary.

Approved by the board: 3rd December 1996.

APOLLO CHEMICALS LIMITEDSTATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for maintaining proper accounting records which 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. 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.

APOLLO CHEMICALS LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 7 to 21, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 5, 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 financial statements and to report our opinion to you.

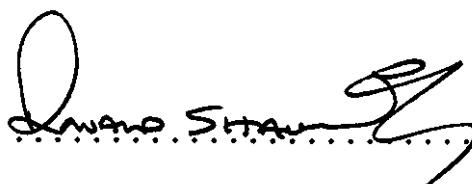
Basis of opinion

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 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, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material misstatements, 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 the company's affairs as at 30th April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



.....SHAW.....

Ronald Shaw & Co.
Chartered Accountants and Registered Auditors.

Ashford House,
95, Dixons Green,
Dudley,
West Midlands.
DY2 7DJ.

5th December 1996.

APOLLO CHEMICALS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 1996

	<u>Note</u>	<u>1996</u> £	<u>1996</u> £	<u>1995</u> £
Turnover	2		11,867,593	9,315,912
Materials and factored purchases		(6,265,299)		(4,879,741)
Other external charges		(578,213)		(617,951)
			(6,843,512)	(5,497,692)
			5,024,081	3,818,220
Staff costs	3		(3,539,312)	(2,493,559)
Depreciation and amortisation written off tangible fixed assets	11		(213,401)	(187,055)
Other operating charges			(1,205,732)	(1,009,716)
Operating profit	4		65,636	127,890
Interest payable	6		(61,293)	(65,077)
Interest received			21,133	7,532
Profit on ordinary activities before taxation			25,476	70,345
Taxation on profit on ordinary activities	7		(21,744)	(23,139)
Profit for the financial year			3,732	47,206
Dividend paid			(7,500)	-
Retained loss for the year (1995 profit)			(3,768)	47,206
Retained profit brought forward			981,549	934,343
Retained profit carried forward			£977,781	£981,549

None of the company's activities were acquired or discontinued during the two years ended 30th April 1996.

The company has no recognised gains or losses other than the profit for the two years ended 30th April 1996.

APOLLO CHEMICALS LIMITEDBALANCE SHEET, 30TH APRIL 1996

	<u>Note</u>	<u>1996</u> £	<u>1996</u> £	<u>1995</u> £
Fixed assets				
Tangible	11		1,351,173	1,397,876
Investment in subsidiary	12		3	3
Life assurance policies	13		1,032	1,032
			<hr/>	<hr/>
			1,352,208	1,398,911
Current assets				
Stock	14	1,141,361		1,004,426
Debtors	15	2,532,110		2,567,385
Bank		529,038		511,383
Cash		1,559		1,584
		<hr/>		<hr/>
		4,204,068		4,084,778
Creditors				
Amounts falling due within one year	16	(3,860,999)		(3,713,336)
		<hr/>		<hr/>
Net current assets			343,069	371,442
Total assets less current liabilities			<hr/>	<hr/>
			1,695,277	1,770,353
Creditors				
Amounts falling due after more than one year	17		(102,139)	(173,518)
			<hr/>	<hr/>
Net assets			£1,593,138	£1,596,835
Capital and reserves			<hr/>	<hr/>
Called up share capital	19		1,405	1,334
Share premium account	20		139	139
Capital redemption reserve	20		667	667
Revaluation reserve	20		613,146	613,146
Profit and loss account	20		977,781	982,549
			<hr/>	<hr/>
			£1,593,138	£1,596,835
			<hr/>	<hr/>

Signed on behalf of the board of directors.

..........

R.F. Saunders.
Director.

Approved by the board: 3rd December 1996.

The notes on pages 11 to 21 form part of these financial statements

APOLLO CHEMICALS LIMITEDSTATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH APRIL 1996

	<u>Note</u>	<u>1996</u> £	<u>1996</u> £	<u>1995</u> £
Net cash inflow from operating activities	8		881,847	363,706
Servicing of finance				
Interest received		21,133		7,532
Interest paid		(43,966)		(39,967)
Hire purchase interest paid		(17,327)		(23,610)
Other interest paid		-		(1,500)
Dividends paid		(7,500)		-
Net cash outflow from servicing of finance			(47,660)	(57,545)
Taxation			834,187	306,161
Corporation tax paid			(24,909)	(105)
			809,278	306,056
Investing activities				
Payments to acquire tangible fixed assets excluding those on hire purchase		(110,753)		(166,198)
Proceeds from the sale of tangible fixed assets		5,665		7,935
Net cash outflow from investing activities			(105,088)	(158,263)
Net cash inflow before financing			£704,190	£147,793
Financing				
Hire purchase payments	18	174,324		205,521
Issue of ordinary share capital		(71)		-
Net cash outflow from financing			174,253	205,521
Increase/(decrease) in cash and cash equivalents	9		529,937	(57,728)
			£704,190	£147,793

The notes on pages 11 to 21 form part of these financial statements

APOLLO CHEMICALS LIMITEDNOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30TH APRIL 1996

	<u>1996</u> £	<u>1995</u> £
Reported profit on ordinary activities before taxation	25,476	70,345
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	4,062	4,062
Historical cost profit on ordinary activities before taxation	<u>£29,538</u>	<u>£74,407</u>
Historical cost profit for the year retained after taxation and dividends	<u>£294</u>	<u>£51,268</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year	3,732	47,206
Dividend paid	(7,500)	-
Retained loss for the year (1995 profit)	<u>(3,768)</u>	<u>47,206</u>
New shares issued during the year	71	-
Net deductions during the year (1995 additions)	<u>(3,697)</u>	<u>47,206</u>
Opening shareholders funds	1,596,835	1,549,629
Closing shareholders funds	<u>£1,593,138</u>	<u>£1,596,835</u>

The notes on pages 11 to 21 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 19961. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

The company and its subsidiary undertaking comprise a small group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Turnover

Turnover represents amounts invoiced by the company in respect of goods and services provided during the year, excluding value added tax.

(c) Depreciation and amortisation

Depreciation and amortisation is calculated so as to write off the cost of the tangible fixed assets by the following instalments over their estimated useful lives.

Long leasehold buildings	125 years
Short leasehold buildings	20 years
Plant and equipment	4 years
Office equipment	7 years
Motor vehicles	4 years

Amortisation has not been written off freehold land and buildings as significant maintenance costs are charged to the profit and loss account to maintain the standard of the property.

(d) Leased assets

Where assets are acquired under hire purchase agreements which give rights approximating to ownership, the amount representing the outright purchase price of such assets is included in tangible fixed assets. Depreciation is provided at rates designed to write off the net cost in equal annual amounts over the estimated useful lives of the assets. The capital element of future payments is charged to the profit and loss account as it accrues.

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight line basis over the lease period.

APOLLO CHEMICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)1. Accounting policies (continued)

(e) Stock

Stock has been valued at the lower of cost or net realisable value. Cost in the case of products manufactured by the company consists of direct material and labour costs, together with relevant factory overheads.

(f) Creditors and stock

Some of the purchases of goods by the group are made on the terms that ownership of the goods shall, in general, not pass until payment. The financial statements are nevertheless drawn up on the basis that such ownership will be established in the normal course of trading.

(g) Debtors

Bad debts have been written off and specific provision made for any debts considered doubtful.

(h) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

(i) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transactions. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date.

2. Turnover

The total turnover arose from the activity of manufacturing and factoring adhesives. The analysis of turnover by geographical area is as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
United Kingdom	11,287,883	9,012,496
Eire	86,714	77,592
Rest of Europe	199,214	152,699
Middle East	19,163	11,557
Far East	112,683	35,379
South Africa	488	-
Austrailia	410	360
United States of America	157,543	25,829
West Indies	53	-
Asia	3,442	-
	<hr/>	<hr/>
	£11,867,593	£9,315,912
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)

3. Staff numbers and costs

The average number of persons employed by the company during the year was as follows:-

	<u>1996</u>	<u>1995</u>
Management	5	4
Administration	11	10
Sales and technical	15	15
Production	51	47
	—	—
	82	76
	==	==

The aggregate payroll costs of those persons was as follows:-

	<u>1996</u>	<u>1995</u>
	£	£
Wages and salaries	3,021,935	2,236,186
Social security	140,762	117,685
Pension scheme contributions	376,615	139,688
	—	—
	£3,539,312	£2,493,559
	==	==

4. Operating profit

The operating profit is arrived at after charging:-

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation and amortisation of tangible fixed assets		
Owned	91,563	62,010
Held under hire purchase contracts	121,838	125,045
	—	—
	213,401	187,055
Directors emoluments for management (see note 5)	164,212	58,741
Directors other emoluments	1,470,000	1,010,000
Directors pension scheme contributions	225,000	55,000
Directors life assurance policies	31,966	—
Auditors remuneration and expenses	7,600	7,200
	==	==

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)

5. Directors emoluments

	<u>1996</u>	<u>1995</u>
Directors emoluments excluding pension scheme contributions		
Emoluments of the chairman	£ NIL	£ NIL
Emoluments of the other directors, excluding pension contributions, falling within the following bands:-		
	Number	Number
£ 60,001 - £ 65,000	1	-
£ 45,000 - £ 50,000	1	-
£ 40,001 - £ 45,000	1	-
£ 27,501 - £ 30,000	-	2

6. Interest payable

	<u>1996</u> £	<u>1995</u> £
On overdrafts and loans repayable within five years		
Bank	43,966	39,967
Hire purchase	17,327	23,610
Other loans	-	1,500
	<u>£61,293</u>	<u>£65,077</u>

7. Taxation

	<u>1996</u> £	<u>1995</u> £
Taxation based on the taxable profit for the year:-		
Corporation tax 25%	21,744	23,034
Underprovision in respect of prior years	-	105
	<u>£21,744</u>	<u>£23,139</u>
The tax charge for the year has been reduced by:-		
Capital allowances	£41,218	£43,150

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)

8. Reconciliation of operating profit to net cash inflow from operating activities

	<u>1996</u>	<u>1995</u>
	£	£
Operating profit	65,636	127,890
Depreciation charges	213,401	187,055
(Increase) in stocks	(136,935)	(192,528)
Decrease/(increase) in debtors	35,275	(646,972)
Increase in creditors	700,548	884,883
Loss on disposal of tangible fixed assets	3,922	3,378
	<hr/>	<hr/>
Net cash inflow from activities	£881,847	£363,706
	<hr/> <hr/>	<hr/> <hr/>

9. Analysis of changes in cash and cash equivalents during the year

	<u>1996</u>	<u>1995</u>
	£	£
Balance at 1st May 1995	(548,442)	(490,714)
Net cash inflow/(outflow)	529,937	(57,728)
	<hr/>	<hr/>
Balance at 30th April 1996	£(18,505)	£(548,442)
	<hr/> <hr/>	<hr/> <hr/>

10. Analysis of the balances of cash and cash equivalents in the balance sheet

	<u>1996</u>	<u>1995</u>	<u>Change in</u>
	£	£	year
Cash	1,559	1,584	(25)
Bank	529,038	511,383	17,655
Bank overdraft	(549,102)	(1,061,409)	512,307
	<hr/>	<hr/>	<hr/>
	£(18,505)	£(548,442)	£529,937
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

APOLLO CHEMICALS LIMITED

NOTES TO THE ACCOUNTS - 30TH APRIL 1996

11. Fixed assets - Tangible

	Freehold land and buildings	Long leasehold land and buildings	Short leasehold land and buildings	Plant and equipment	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost or valuation							
Opening balance	389,373	731,030	5,344	1,386,185	181,576	451,282	3,144,790
Additions	29,298	-	-	106,246	12,282	28,459	176,285
Disposals	-	-	-	-	(3,194)	(13,745)	(16,939)
Closing balance	418,671	731,030	5,344	1,492,431	190,664	465,996	3,304,136
Cost	118,671	46,197	5,344	1,492,431	190,664	465,996	2,319,303
Valuation (1990)	300,000	684,833	-	-	-	-	984,833
Depreciation	418,671	731,030	5,344	1,492,431	190,664	465,996	3,304,136
Opening balance	-	68,264	1,335	1,235,374	152,556	289,385	1,746,914
Charge for the year	-	6,331	267	125,720	8,999	72,084	213,401
Disposals	-	-	-	-	(480)	(6,872)	(7,352)
Closing balance	-	74,595	1,602	1,361,094	161,075	354,597	1,952,963
Net book value	£418,671	£656,435	£3,742	£131,337	£29,589	£111,399	£1,351,173
30th April 1995	£389,373	£662,766	£4,009	£150,811	£29,020	£161,897	£1,397,876
Assets held under hire purchase contracts							
30th April 1995	£ -	£ -	£ -	£77,729	£11,867	£88,678	£178,274
30th April 1994	£ -	£ -	£ -	£95,778	£15,103	£157,774	£268,655

APOLLO CHEMICALS LIMITEDNOTES TO THE ACCOUNTS - 30TH APRIL 1996
(continued)11. Fixed assets - Tangible continued

	<u>1996</u> £	<u>1995</u> £
Particulars relating to revalued assets are given below:		
Freehold land and buildings 1990 open market value	£300,000	£300,000
	<u> </u>	<u> </u>
Historical cost of revalued assets	£188,929	£188,929
	<u> </u>	<u> </u>
Long leasehold land and buildings 1990 open market value	684,833	684,833
Aggregate depreciation thereon	(71,890)	(67,828)
	<u> </u>	<u> </u>
Net book value	£612,943	£617,005
	<u> </u>	<u> </u>
Historical cost of revalued assets	256,395	256,095
Aggregate depreciation based on historical cost	(45,610)	(43,074)
	<u> </u>	<u> </u>
Historical cost net book value	£210,785	£213,321
	<u> </u>	<u> </u>

The leasehold buildings are on land which has been leased for a term of 125 year from 12th December 1974. Freehold land and buildings have not been amortised.

Other tangible fixed assets including subsequent additions to land and buildings are included at cost.

12. Fixed assets - Investments in subsidiaries

	<u>1996</u>	<u>1995</u>
Raleigh Adhesive Coatings Limited (wholly owned)	£ 3	£ 3
	<u> </u>	<u> </u>

The company's investment in subsidiary undertaking represents the cost of acquisition of 100% of the ordinary share capital of Raleigh Adhesives Coatings Limited a company registered in England and Wales, which provides adhesive tapes.

At 30th April 1996, the aggregate share capital and reserves of the subsidiary undertaking amounted to £(165,337), (1995 (£204,557) and the profit for the year was £39,220 (1995 £23,589).

13. Life assurance policies

	<u>1996</u>	<u>1995</u>
Premiums paid to date	£1,032	£1,032
	<u> </u>	<u> </u>

The policies are on the lives of directors.

APOLLO CHEMICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)14. Stock

	<u>1996</u>	<u>1995</u>
	£	£
Raw materials	643,458	539,505
Solvents	45,585	40,532
Finished goods	357,821	314,774
Equipment for resale	10,777	7,291
Packing materials	76,220	94,824
Stationery	7,500	7,500
	<hr/>	<hr/>
	£1,141,361	£1,004,426
	<hr/>	<hr/>

15. Debtors - Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Trade debtors	2,491,721	2,312,333
Other debtors	6,055	175
Prepayments	34,334	25,911
Loan - Raleigh Adhesive Coatings Limited	-	228,966
	<hr/>	<hr/>
	£2,532,110	£2,567,385
	<hr/>	<hr/>

16. Creditors - Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Bank overdraft	549,102	1,061,409
Loan - Lombard North Central PLC	27,168	27,168
Amount due on hire purchase	116,577	174,885
Trade creditors	984,440	1,090,986
Value added tax	219,574	186,412
Taxation	16,795	15,332
Social security	14,960	13,514
Corporation tax	19,869	23,034
Other creditors	5,245	5,198
Accruals	1,187,766	70,824
Directors loans	574,824	1,044,574
Loan - Raleigh Adhesive Coatings Limited	144,679	-
	<hr/>	<hr/>
	£3,860,999	£3,713,336
	<hr/>	<hr/>

The nature of the security in respect of the bank borrowing and loan is set out in note 17.

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)

17. Creditors - Amounts falling due after more than one year

	<u>1996</u> £	<u>1995</u> £
Amount due on hire purchase, repayable within five years	72,573	123,057
Loan - Lombard North Central PLC repayable within five years	29,566	50,461
	<hr/>	<hr/>
	£102,139	£173,518
	<hr/>	<hr/>

The bank borrowing is secured by:-

- (a) Unlimited debenture dated 17th May 1990.
- (b) Charge over leasehold factory, Plot 11,
Sandy Way, Amington, Tamworth, Staffordshire.
- (c) Charge over freehold property at Sandy Way,
Amington, Tamworth.

The loan is secured by a chattle mortgage in respect of 2 x 5 ton pressurised vacuum mixing vessels, serial number V109 and V110 dated 10th August 1993.

18. Obligations under hire purchase

	<u>1996</u> £	<u>1995</u> £
Amounts payable within one year	125,164	192,054
Amounts payable after more than one year In the second to fifth years inclusive	75,212	128,950
	<hr/>	<hr/>
	200,376	321,004
<u>Less:</u>		
Finance charges allocated to future periods	11,226	23,062
	<hr/>	<hr/>
	£189,150	£297,942
	<hr/>	<hr/>
Disclosed as:-		
Creditors - Amounts falling due within one year	116,577	174,885
Creditors - Amounts falling due after more than one year	72,573	123,057
	<hr/>	<hr/>
	£189,150	£297,942
	<hr/>	<hr/>
Analysis of changes under hire purchase and during the current period		
Opening balance at 1st May 1995	297,942	326,275
Proceeds in new borrowings	65,532	177,188
Capital element of hire purchase payments	(174,324)	(205,521)
	<hr/>	<hr/>
Closing balance at 30th April 1996	£189,150	£297,942
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)19. Share capital

	<u>1996</u> £	<u>1995</u> £
<u>Authorised</u>		
Ordinary shares of £1 each	15,000	15,000
"B" shares of £1 each	71	-
	<hr/>	<hr/>
	£15,071	£15,000
<u>Allotted, called up and fully paid</u>		
	£	£
Ordinary shares of £1 each	1,334	1,334
"B" shares of £1 each	71	-
	<hr/>	<hr/>
	£1,405	£1,334
	<hr/>	<hr/>

On 29th April 1996 the company increased its authorised share capital by the creation of an additional 71 "B" shares of £1 each. The 71 "B" shares of £1 each were allotted to Apollo Adhesives Limited in cash at par, a company registered in England and Wales.

20. Reserves

	<u>Opening balance</u> £	<u>Movement in year</u> £	<u>Closing balance</u> £
Share premium	139	-	139
Capital redemption reserve	667	-	667
Revaluation reserve	613,146	-	613,146
Profit and loss account	981,549	(3,768)	977,781
	<hr/>	<hr/>	<hr/>
	£1,595,501	£(3,768)	£1,591,733
	<hr/>	<hr/>	<hr/>

21. Contingent liabilities

The company has given an unlimited guarantee to its subsidiary company Raleigh Adhesive Coatings Limited. In the opinion of the directors no liability will arise under this guarantee.

22. Capital commitments

- (a) There was no capital expenditure contracted for or approved by the directors for which contracts had not been placed.
- (b) At 30th April 1996 the company had annual commitments under operating leases, falling due in the year ending 30th April 1997 as follows:-

	<u>Land and buildings</u> £	<u>Other assets</u> £
Operating leases which expire		
Between 2 and 5 years	7,250	3,260
Over 5 years	53,074	-
	<hr/>	<hr/>
	£60,324	£3,260
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1996
(continued)23. Connected party transactions

Transactions with companies in which the director had material equity interests

	<u>1996</u>	<u>1995</u>
	£	£
<u>R.F. Saunders</u>		
Sales to		
Raleigh Adhesive Coatings Limited	108,155	96,161
Purchases from		
Raleigh Adhesive Coatings Limited	911,158	739,107
Management charges		
Raleigh Adhesive Coatings Limited	35,000	35,000

During the year 71 "B" ordinary shares were issued to Apollo Adhesives Limited, which is a company owned by R.F. Saunders and J.H. Davis.

24. Holding company

The company's ultimate holding company is Apollo Chemicals Holdings Limited, a company registered in England and Wales.