

APOLLO CHEMICALS LIMITED

1.

DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS

30TH APRIL 2005

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**APOLLO CHEMICALS LIMITED**

2.

**GENERAL INFORMATION - 30TH APRIL 2005**

**Directors**

R.F. Saunders  
G. Saunders  
A.E. Jones

**Secretary**

J.H. Saunders

**Registered office**

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

**Company number**

1052410

**Auditors**

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

**Bankers**

Fortis Bank,  
Bank House,  
8, Cherry Street,  
Birmingham.

**Solicitors**

Waldrons,  
Wychbury Court,  
Two Woods Lane,  
Brierley Hill,  
West Midlands.

## APOLLO CHEMICALS LIMITED

3.

### REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30th April 2005.

#### 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>2005</u>	<u>2004</u>
	£	£
Turnover	15,215,384	15,183,544
Profit before taxation (2004 loss)	23,839	(47,758)
Taxation	(2,614)	20,354
Profit for the year (2004 loss)	<u>£ 21,225</u>	<u>£ (27,404)</u>

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. The directors expect that the present level of activity will be increased during the year ending 30th April 2006.

#### Dividends

The directors do not recommend the payment of a dividend.

#### Directors

The directors of the company at 30th April 2005, all of whom had been directors for the whole of the year ended 30th April 2005, were:-

R.F. Saunders  
G. Saunders  
A.E. Jones

In accordance with the articles of association R.F. Saunders retires by rotation and, being eligible, offers himself for re-election.

#### Directors interest in the shares of the company

The director R.F. Saunders is also director of the ultimate holding company Apollo Chemicals Group 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 £94 (2004 £1,812)

**APOLLO CHEMICALS LIMITED**

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**REPORT OF THE DIRECTORS**  
(continued)

**Fixed assets**

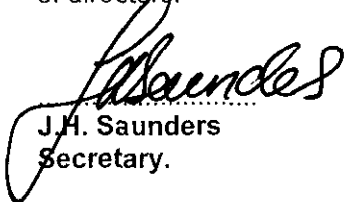
The movements in fixed assets during the year are set out in the table on page 15.

The directors are of the opinion that the value of the freehold and leasehold land and buildings is approximately £2,000,000 compared with book value of £1,218,843.

**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.



J.H. Saunders  
Secretary.

Approved by the board: 26th October 2005.

**STATEMENT 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 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;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 7 to 19 of Apollo Chemicals Limited for the year ended 30th April 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

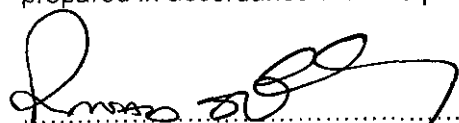
**Basis of audit opinion.**

We conducted our audit in accordance with United Kingdom 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 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 the company's affairs as at 30th April 2005 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Ronald Shaw & Co.  
Chartered Accountants and Registered Auditors.

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

28th October 2005.

**APOLLO CHEMICALS LIMITED**

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 2005**

	<u>Note</u>	<u>2005</u> £	<u>2005</u> £	<u>2004</u> £
<b>Turnover</b>	2		<b>15,215,384</b>	<b>15,183,544</b>
Materials and factored purchases		(9,356,759)		(9,114,946)
Other external charges		(774,601)		(800,481)
			(10,131,360)	(9,915,427)
			5,084,024	5,268,117
Staff costs	3		(3,310,356)	(3,764,371)
Depreciation written off tangible fixed assets	8		(214,398)	(179,250)
Other operating charges			(1,540,895)	(1,374,098)
<b>Operating profit (2004 loss)</b>	4		<b>18,375</b>	<b>(49,602)</b>
Interest payable	6		(18,000)	(11,967)
Bank interest received			23,464	13,811
Profit on ordinary activities before taxation (2004 loss)			23,839	(47,758)
Taxation on results on ordinary activities	7		(2,614)	20,354
Profit for the financial year (2004 loss)			21,225	(27,404)
Retained profit brought forward			3,235,151	3,262,555
<b>Retained profit carried forward</b>	18		<b>£ 3,256,376</b>	<b>£ 3,235,151</b>

None of the company's activities were acquired or discontinued during the two years ended 30th April 2005.

The notes on pages 10 to 19 form part of these financial statements

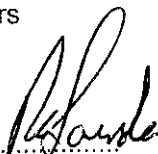
8.

**APOLLO CHEMICALS LIMITED**

**BALANCE SHEET, 30TH APRIL 2005**

	<u>Note</u>	<u>2005</u> £	<u>2005</u> £	<u>2004</u> £
Fixed assets				
Tangible	8		1,544,498	1,512,691
Investment in subsidiary	9		3	3
Life assurance policies	10		1,032	1,032
			<hr/> 1,545,533	<hr/> 1,513,726
Current assets				
Stock	11	1,111,557		1,336,383
Debtors	12	3,431,577		4,575,981
Bank		322,812		260,634
Cash		2,311		1,733
		<hr/> 4,868,257		<hr/> 6,174,731
Creditors				
Amounts falling due within one year	13	(2,362,216)		(3,740,397)
		<hr/>		<hr/>
Net current assets			2,506,041	2,434,334
Total assets less current liabilities			<hr/> 4,051,574	<hr/> 3,948,060
Creditors				
Amounts falling due after more than one year	14		(179,841)	(97,552)
			<hr/> (179,841)	<hr/> (97,552)
<b>Net assets</b>			<b>£ 3,871,733</b>	<b>£ 3,850,508</b>
			<hr/> <hr/>	<hr/> <hr/>
Capital and reserves				
Called up share capital	17		1,405	1,405
Share premium account	18		139	139
Capital redemption reserve	18		667	667
Revaluation reserve	18		613,146	613,146
Profit and loss account	18		3,256,376	3,235,151
			<hr/> 3,871,733	<hr/> 3,850,508
<b>Shareholders funds</b>			<b>£ 3,871,733</b>	<b>£ 3,850,508</b>
			<hr/> <hr/>	<hr/> <hr/>

Signed on behalf of the board  
of directors



**R.F. Saunders**  
Director.

**Approved by the board: 26th October 2005.**

The notes on pages 10 to 19 form part of these financial statements



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH APRIL 2005**

	<b><u>2005</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash inflow/(outflow) from operating activities (note 4b)		821,450	(418,741)
Returns on investment and servicing of finance			
Interest paid	(18,000)		(11,967)
Interest received	23,464		13,811
Interest element of finance lease rental payments	(13,210)		(7,426)
		<u>(7,746)</u>	<u>(5,582)</u>
		813,704	(424,323)
UK corporation tax paid		<u>-</u>	<u>(123,053)</u>
		813,704	(547,376)
Capital expenditure			
Payments to acquire tangible fixed assets	(64,013)		(23,847)
Receipts from sale of tangible fixed assets	21,750		27,110
		<u>(42,263)</u>	<u>3,263</u>
Cash inflow/(outflow) before financing		771,441	(544,113)
Financing			
Capital element of finance lease rental payments		<u>(110,441)</u>	<u>(130,522)</u>
<b>Increase/(Decrease) in cash (note 16)</b>		<b><u>£ 661,000</u></b>	<b><u>£ (674,635)</u></b>

The notes on pages 10 to 19 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

**RECONCILIATION OF NET CASHFLOW TO MOVEMENTS IN NET DEBT (NOTE 16)**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
Increase/(Decrease) in cash in the year	661,000	(674,635)
Cash outflow from decrease in debt and lease financing	110,441	130,522
Change in net debt arising from cash flows	771,441	(544,113)
Net finance leases	(201,055)	(158,181)
Movement in net debt in the period	570,386	(702,294)
Net (debt)/funds at 1st May 2004	(558,826)	143,468
Net funds/(debt) at 30th April 2005	<b>£ 11,560</b>	<b>£ (558,826)</b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
Profit for the financial year (2004 loss)	21,225	(27,404)
Total recognised profit (2004 losses) relating to the year	<b>£ 21,225</b>	<b>£ (27,404)</b>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
Profit for the financial year	21,225	(27,404)
Opening shareholders funds	3,850,508	3,877,912
Closing shareholders funds	<b>£ 3,871,733</b>	<b>£ 3,850,508</b>

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005****1. 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 financial statements have been prepared in accordance with applicable accounting standards.

Although this company has a wholly owned subsidiary, it has taken advantage of the exemption from preparing group accounts under Section 228, on the basis that it is included in the consolidated accounts prepared by the ultimate parent company.

**(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**

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

Freehold property	100 years
Long leasehold buildings	125 years
Short leasehold buildings	20 years
Plant and equipment	4 years
Office equipment	7 years
Motor vehicles	4 years

**(d) Leased assets**

Where assets are acquired under hire purchase agreements which give rights approximately 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 treated as a liability and the interest element 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.

**(e) Stock**

Stock has been valued at the lower of cost and 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 stocks**

Some of the purchases of goods by the company 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 a 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.

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**1. Accounting policies (continued)**

**(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:-

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
United Kingdom	13,880,913	14,250,257
Eire	113,947	115,498
Rest of Europe	1,021,570	644,418
Middle East	22,518	16,664
Far East	5,805	22,390
South America	4,800	61
United States of America	57,834	45,881
South Africa	-	1,490
India	69,710	53,931
Canada	-	1,927
China	38,287	31,027
	<b>£15,215,384</b>	<b>£15,183,544</b>

**3. Staff numbers and costs**

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

	<b><u>2005</u></b>	<b><u>2004</u></b>
Management	5	5
Administration	12	12
Sales and technical	17	16
Production	50	48
	<b>84</b>	<b>81</b>

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

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
Wages and salaries	2,839,278	3,607,416
Social security	347,344	344,968
Pension scheme contributions	125,056	126,987
Employee benefit trust repaid	(1,322)	(315,000)
	<b>£ 3,310,356</b>	<b>£ 3,764,371</b>

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**4. Operating Loss (2004 profit)**

(a) The operating loss is arrived at after charging:-

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation of tangible fixed assets		
Owned	81,895	76,934
Held under hire purchase contracts	132,503	102,316
	<hr/>	<hr/>
	214,398	179,250
Directors emoluments for management (see note 5)	823,610	1,644,771
Directors life assurance policies	26,412	26,412
Employee Benefit trust repaid	(1,322)	(315,000)
Auditors remuneration and expenses	9,500	9,500
	<hr/>	<hr/>

(b) Reconciliation of operating loss to net cash inflow from operating activities

	<u>2005</u>	<u>2004</u>
	£	£
Operating profit (2004 loss)	18,375	(49,602)
Depreciation of tangible fixed assets	214,398	179,250
(Profit)/loss on sale of tangible fixed assets	(2,887)	(19,873)
Decrease in stocks	224,826	73,379
Decrease/(Increase) in operating debtors and prepayments	1,141,790	(1,167,307)
(Decrease)/Increase in operating creditors and accruals	(775,052)	565,412
	<hr/>	<hr/>
	£ 821,450	£ (418,741)
	<hr/>	<hr/>

**5. Directors emoluments**

	<u>2005</u>	<u>2004</u>
	£	£
Emoluments	823,610	1,644,771
	<hr/>	<hr/>
Emoluments of highest paid director	454,000	1,297,582
	<hr/>	<hr/>
Company contributions paid to money purchase pension scheme	£ -	£ -
	<hr/>	<hr/>
Members of money purchase pensions	2	2
	<hr/>	<hr/>

**6. Interest payable**

	<u>2005</u>	<u>2004</u>
	£	£
On overdrafts and loans repayable within five years:-		
Bank interest	1,948	3,386
Hire purchase	16,052	8,581
	<hr/>	<hr/>
	£ 18,000	£ 11,967
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**7. Taxation**

	<u>2005</u> £	<u>2004</u> £
Taxation based on the taxable profit for the year:-		
Corporation tax 19% (2004 0%)	2,614	-
Overprovision on prior year	-	(20,354)
	<u>£ 2,614</u>	<u>£ (20,354)</u>

The tax charge for the year has been reduced by:-

Capital allowances	<u>£ 43,980</u>	<u>£ 58,847</u>
--------------------	-----------------	-----------------

No provision for deferred taxation has been made in relation to the revaluation of freehold and leasehold land and buildings included in the revaluation reserve. If the interest in freehold and leasehold land and buildings were disposed of at its balance sheet amount it is estimated that the tax liability would amount to approximately £6,000.

**APOLLO CHEMICALS LIMITED**

**NOTES TO THE ACCOUNTS - 30TH APRIL 2005**

(continued)

**8. Fixed assets - Tangible**

Cost or valuation	Freehold land and buildings £	Long leasehold land and buildings £	Short leasehold land and buildings £	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Opening balance	418,671	957,685	5,344	2,389,944	316,960	498,247	4,586,851
Additions	-	-	-	157,334	11,216	96,518	265,068
Disposals	-	-	-	-	-	(85,564)	(85,564)
Closing balance	418,671	957,685	5,344	2,547,278	328,176	509,201	4,766,355
Cost	118,671	272,852	5,344	2,547,278	328,176	509,201	3,781,522
Valuation (1990)	300,000	684,833	-	-	-	-	984,833
	418,671	957,685	5,344	2,547,278	328,176	509,201	4,766,355
Depreciation							
Opening balance	20,936	127,111	3,746	2,274,703	288,872	358,792	3,074,160
Charge for the year	4,188	6,608	268	111,903	9,676	81,755	214,398
Disposals	-	-	-	-	-	(66,701)	(66,701)
Closing balance	25,124	133,719	4,014	2,386,606	298,548	373,846	3,221,857
Net book value							
30th April 2005	£ 393,547	£ 823,966	£ 1,330	£ 160,672	£ 29,628	£ 135,355	£ 1,544,498
30th April 2004	£ 397,735	£ 830,574	£ 1,598	£ 115,241	£ 28,088	£ 139,455	£ 1,512,691
Assets held under hire purchase contracts							
30th April 2005	£ -	£ -	£ -	£ 120,665	£ -	£ 135,355	£ 256,020
30th April 2004	£ -	£ -	£ -	£ 73,372	£ -	£ 124,548	£ 197,920

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**8. Fixed assets - Tangible (continued)**

	<u>2005</u>	<u>2004</u>
	£	£
Particulars relating to revalued assets are given below:		
Freehold land and buildings		
1990 open market value	300,000	300,000
Aggregate depreciation	(18,000)	(15,000)
Net book value	£ 282,000	£ 285,000
Historical cost of revalued assets	£ 99,555	£ 99,555
Long leasehold land and buildings		
1990 open market value	684,833	684,833
Aggregate depreciation	(126,089)	(120,611)
Net book value	£ 558,744	£ 564,222
Historical cost of revalued assets	272,132	272,132
Aggregate depreciation based on historical cost	(90,963)	(88,786)
Historical cost net book value	£ 181,169	£ 183,346

The leasehold buildings are on land which has been leased for a term of 125 years from 12th December 1974. Freehold land and buildings have been amortised over 100 years.

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

The directors are not aware of any material change in the property values.

**9. Fixed assets - Investments in subsidiaries**

	<u>2005</u>	<u>2004</u>
	£	£
Raleigh Adhesive Coatings Limited (wholly owned)	3	3

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 2005, the aggregate share capital and reserves of the subsidiary undertaking amounted to £1,428,512 (2004 £1,368,413) and the profit for the year was £60,099 (2004 £128,269).

**10. Life assurance policies**

	<u>2005</u>	<u>2004</u>
	£	£
Premiums paid to date	1,032	1,032

The policies are on the lives of directors



**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**11. Stock**

	<u>2005</u>	<u>2004</u>
	£	£
Raw materials	581,473	603,562
Finished goods	420,266	593,514
Equipment for resale	11,102	15,147
Packing materials	96,395	123,556
Stationery	2,321	604
	<u>£ 1,111,557</u>	<u>£ 1,336,383</u>

**12. Debtors - Amounts falling due within one year**

	<u>2005</u>	<u>2004</u>
	£	£
Trade debtors	3,303,743	3,866,541
Prepayments	56,086	385,087
Other debtors	2,516	277,507
Corporation tax	44,232	46,846
Amount due from ultimate holding company Apollo Chemicals Group Limited	25,000	-
	<u>£ 3,431,577</u>	<u>£ 4,575,981</u>

**13. Creditors - Amounts falling due within one year**

	<u>2005</u>	<u>2004</u>
	£	£
Bank overdraft	-	598,244
Amounts due on hire purchase	100,580	105,465
Trade creditors	1,105,017	1,242,110
Value Added Tax	253,455	240,095
Taxation	136,711	35,168
Social security	56,916	37,275
Other creditors	5,198	105,359
Accruals	571,195	469,129
Amounts due to subsidiary company Raleigh Adhesive Coatings Limited	123,227	907,538
Amounts due to holding company Apollo Chemicals Holdings Limited	-	14
Directors loans	9,917	-
	<u>£ 2,362,216</u>	<u>£ 3,740,397</u>

**14. Creditors - Amounts falling due after more than one year**

	<u>2005</u>	<u>2004</u>
	£	£
Amounts due on hire purchase, repayable within five years	179,841	97,552

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**15. Obligations under hire purchase**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
Amounts payable within one year	116,453	116,876
Amounts payable after more than one year		
In the second to fifth years inclusive	197,110	106,073
	<hr/> 313,563	<hr/> 222,949
<u>Less:</u>		
Finance charges allocated to future periods	(33,142)	(19,932)
	<hr/> £ 280,421	<hr/> £ 203,017
Disclosed as:-		
Creditors - Amounts falling due within one year	100,580	105,465
Creditors - Amounts falling due after more than one year	179,841	97,552
	<hr/> £ 280,421	<hr/> £ 203,017

**16. Analysis of changes in net debt**

	<b><u>At 1st May 2004</u></b>	<b><u>Cash flows</u></b>	<b><u>Other changes</u></b>	<b><u>At 30th April 2005</u></b>
	£	£	£	£
Bank and cash	262,367	62,756	-	325,123
Overdraft	(598,244)	598,244	-	-
	<hr/> (335,877)	<hr/> 661,000	<hr/> -	<hr/> 325,123
Finance lease	(222,949)	110,441	(201,055)	(313,563)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£ (558,826)	£ 771,441	£ (201,055)	£ 11,560

**17. Share capital**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	£	£
<u>Authorised</u>		
Ordinary shares of £1 each	15,000	15,000
"B" shares of £1 each	71	71
	<hr/> £ 15,071	<hr/> £ 15,071
<u>Allocated, called up and fully paid</u>		
Ordinary shares of £1 each	1,334	1,334
"B" shares of £1 each	71	71
	<hr/> £ 1,405	<hr/> £ 1,405

The "B" shares hold no voting rights.

**NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 2005**

(continued)

**18. Reserves**

	<b>Capital Redemption Reserve</b>	<b>Share Premium Account</b>	<b>Revaluation Reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1st May 2004	667	139	613,146	3,235,151	3,849,103
Retained profit for the year	-	-	-	21,225	21,225
<b>Balance at 30th April 2005</b>	<b>£ 667</b>	<b>£ 139</b>	<b>£ 613,146</b>	<b>£ 3,256,376</b>	<b>£ 3,870,328</b>

**19. Contingent liabilities**

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

**20. Capital commitments**

- (a) There was no capital expenditure contracted for or approved by the directors for which contracts had not been placed. (2004 Nil).
- (b) At 30th April 2005 the company had annual commitments under operating leases falling due in the year ending 30th April 2005, as follows:-

	<b>Land and buildings</b>	<b>Other assets</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Between 2 and 5 years	91,850	3,667
Over 5 years	37,250	-
	<b>£ 129,100</b>	<b>£ 3,667</b>

**21. Connected party transactions**

Transactions with fellow subsidiary undertakings during the year were conducted in the normal course of business:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>R.F. Saunders</b>		
Sales to		
Raleigh Adhesive Coatings Limited	32,935	49,799
Purchases from		
Raleigh Adhesive Coatings Limited	3,758,859	3,653,291
Management charges to		
Raleigh Adhesive Coatings Limited	225,000	225,600
Management charges from		
Apollo Chemicals Group Limited	125,000	-

**22. Holding company**

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