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APOLLO CHEMICALS LIMITED

FINANCIAL STATEMENTS

30TH APRIL 1997



APOLLO CHEMICALS LIMITED
DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS
30TH APRIL 1997

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APOLLO CHEMICALS LIMITEDGENERAL INFORMATION - 30TH APRIL 1997Directors

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

Secretary

J.H. Saunders.

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 1997.

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>1997</u>	<u>1996</u>
	£	£
Turnover	11,602,174	11,867,593
Profit before taxation	589,251	25,476
Taxation	(188,536)	(21,744)
Profit for the year	£400,715	£3,732

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 1998.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors of the company at 30th April 1997, 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

In accordance with the articles of association J.H. Davis and A.E. Jones 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 £659 (1996 £87).

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 £1,600,000 compared with a book value of £1,259,715.

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*.....

J.H. Saunders.
Secretary.

Approved by the board: 17th December 1997.

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;
- * 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.

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.

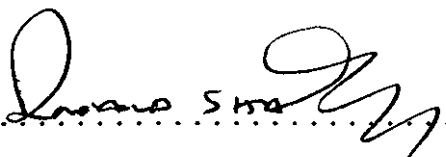
Basis of opinion

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 1997 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.
DY2 7DJ.

19th December 1997.

APOLLO CHEMICALS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 1997

	<u>Note</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £
Turnover	2		11,602,174	11,867,593
Materials and factored purchases		(6,100,722)		(6,265,299)
Other external charges		(677,997)		(578,213)
			(6,778,719)	(6,843,512)
			4,823,455	5,024,081
Staff costs	3		(2,949,475)	(3,539,312)
Depreciation and amortisation written off tangible fixed assets	11		(217,444)	(213,401)
Other operating charges			(1,058,568)	(1,205,732)
Operating profit	4		597,968	65,636
Interest payable	6		(43,081)	(61,293)
Interest received			34,364	21,133
Profit on ordinary activities before taxation			589,251	25,476
Taxation on profit on ordinary activities	7		(188,536)	(21,744)
Profit for the financial year			400,715	3,732
Dividend paid			-	(7,500)
Retained profit for the year (1996 loss)			400,715	(3,768)
Retained profit brought forward			977,781	981,549
Retained profit carried forward			£1,378,496	£977,781

None of the company's activities were acquired or discontinued during the two years ended 30th April 1997.

The company has no recognised gains or losses other than the profit for the two years ended 30th April 1997.

APOLLO CHEMICALS LIMITED

BALANCE SHEET, 30TH APRIL 1997

	<u>Note</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £
Fixed assets				
Tangible	11		1,633,687	1,351,173
Investment in subsidiary	12		3	3
Life assurance policies	13		1,032	1,032
			<hr/>	<hr/>
			1,634,722	1,352,208
Current assets				
Stock	14	1,042,943		1,141,361
Debtors	15	2,444,053		2,532,110
Bank		934,519		529,038
Cash		2,740		1,559
		<hr/>		<hr/>
		4,424,255		4,204,068
Creditors				
Amounts falling due within one year	16	(3,915,993)		(3,860,999)
		<hr/>		<hr/>
Net current assets			508,262	343,069
			<hr/>	<hr/>
Total assets less current liabilities			2,142,984	1,695,277
Creditors				
Amounts falling due after more than one year	17		(149,131)	(102,139)
			<hr/>	<hr/>
Net assets			£1,993,853	£1,593,138
			<hr/>	<hr/>
Capital and reserves				
Called up share capital	19		1,405	1,405
Share premium account	20		139	139
Capital redemption reserve	20		667	667
Revaluation reserve	20		613,146	613,146
Profit and loss account	20		1,378,496	977,781
			<hr/>	<hr/>
			£1,993,853	£1,593,138
			<hr/>	<hr/>

Signed on behalf of the board of directors.

.....*R.F. Saunders*.....

R.F. Saunders.
Director.

Approved by the board: 17th December 1997.

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 1997

	<u>Note</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £
Net cash inflow from operating activities	8		988,877	881,847
Servicing of finance				
Interest received		34,364		21,133
Interest paid		(17,344)		(43,966)
Hire purchase interest paid		(25,737)		(17,327)
Dividends paid		-		(7,500)
Net cash outflow from servicing of finance			(8,717)	(47,660)
			980,160	834,187
Taxation				
Corporation tax paid			(19,869)	(24,909)
			960,291	809,278
Investing activities				
Payments to acquire tangible fixed assets excluding those on hire purchase		(202,029)		(110,753)
Proceeds from the sale of tangible fixed assets		45,753		5,665
Net cash outflow from investing activities			(156,276)	(105,088)
Net cash inflow before financing			£804,015	£704,190
Financing				
Hire purchase payments	18	230,433		174,324
Issue of ordinary share capital		-		(71)
Net cash outflow from financing			230,433	174,253
Increase/(decrease) in cash and cash equivalents	9		573,582	529,937
			£804,015	£704,190

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

APOLLO CHEMICALS LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30TH APRIL 1997

	<u>1997</u> £	<u>1996</u> £
Reported profit on ordinary activities before taxation	589,251	25,476
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	5,420	4,062
Historical cost profit on ordinary activities before taxation	<u>£594,671</u>	<u>£29,538</u>
Historical cost profit for the year retained after taxation and dividends	<u>£406,135</u>	<u>£294</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	400,715	3,732
Dividend paid	-	(7,500)
Retained profit for the year (1996 loss)	<u>400,715</u>	<u>(3,768)</u>
New shares issued during the year	-	71
Net additions during the year (1996 deductions)	400,715	(3,697)
Opening shareholders funds	1,593,138	1,596,835
Closing shareholders funds	<u>£1,993,853</u>	<u>£1,593,138</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 19971. 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 1997
(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 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 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>1997</u>	<u>1996</u>
	£	£
United Kingdom	10,977,134	11,287,883
Eire	166,126	86,714
Rest of Europe	266,137	199,214
Middle East	43,779	19,163
Far East	121,064	112,683
South Africa	715	488
Austrailia	-	410
United States of America	26,264	157,543
West Indies	-	53
Asia	-	3,442
Canada	955	-
	<hr/>	<hr/>
	£11,602,174	£11,867,593
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)

3. Staff numbers and costs

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

	<u>1997</u>	<u>1996</u>
Management	5	5
Administration	12	11
Sales and technical	16	15
Production	52	51
	—	—
	85	82
	==	==

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

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	2,285,536	3,021,935
Social security	180,422	140,762
Pension scheme contributions	483,517	376,615
	—	—
	£2,949,475	£3,539,312
	=====	=====

4. Operating profit

The operating profit is arrived at after charging:-

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation and amortisation of tangible fixed assets		
Owned	80,541	91,563
Held under hire purchase contracts	136,903	121,838
	—	—
	217,444	213,401
Directors emoluments for management (see note 5)	364,043	164,212
Directors other emoluments	500,000	1,470,000
Directors pension scheme contributions	300,000	225,000
Directors life assurance policies	38,359	31,966
Auditors remuneration and expenses	7,850	7,600
	=====	=====

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)

5. Directors emoluments

	<u>1997</u>	<u>1996</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
£120,001 - £125,000	1	-
£100,001 - £105,000	1	-
£ 75,001 - £ 80,000	1	-
£ 60,001 - £ 65,000	-	1
£ 45,000 - £ 50,000	-	1
£ 40,001 - £ 45,000	-	1
£ 25,001 - £ 30,000	1	-

6. Interest payable

	<u>1997</u> £	<u>1996</u> £
On overdrafts and loans repayable within five years		
Bank	17,344	43,966
Hire purchase	25,737	17,327
	<u>£43,081</u>	<u>£61,293</u>

7. Taxation

	<u>1997</u> £	<u>1996</u> £
Taxation based on the taxable profit for the year:-		
Corporation tax 32.83% (1996 25%)	£188,536	£21,744
The tax charge for the year has been reduced by:-		
Capital allowances	£69,372	£41,218

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)

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

	<u>1997</u>	<u>1996</u>
	£	£
Operating profit	597,968	65,636
Depreciation charges	217,444	213,401
Decrease/(Increase) in stocks	98,418	(136,935)
Decrease in debtors	88,057	35,275
Increase in creditors	22,815	700,548
(Profit)/loss on disposal of tangible fixed assets	(35,825)	3,922
	<hr/>	<hr/>
Net cash inflow from activities	£988,877	£881,847
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1997</u>	<u>1996</u>
	£	£
Balance at 1st May 1996	(18,505)	(548,442)
Net cash inflow	573,582	529,937
	<hr/>	<hr/>
Balance at 30th April 1997	£555,077	£(18,505)
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1997</u>	<u>1996</u>	<u>Change in</u>
	£	£	year
			£
Cash	2,740	1,559	1,181
Bank	934,519	529,038	405,481
Bank overdraft	(382,182)	(549,102)	166,920
	<hr/>	<hr/>	<hr/>
	£555,077	£(18,505)	£573,582
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

APOLLO CHEMICALS LIMITED

NOTES TO THE ACCOUNTS - 30TH APRIL 1997

11. Fixed assets - Tangible

	Freehold land and buildings £	Long leasehold buildings £	Short leasehold land and buildings £	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Cost or valuation							
Opening balance	418,671	731,030	5,344	1,492,431	190,664	465,996	3,304,136
Additions	-	190,884	-	113,088	32,194	173,720	509,886
Disposals	-	-	-	-	-	(155,246)	(155,246)
Closing balance	418,671	921,914	5,344	1,605,519	222,858	484,470	3,658,776
Cost	118,671	237,081	5,344	1,605,519	222,858	484,470	2,673,943
Valuation (1990)	300,000	684,833	-	-	-	-	984,833
Depreciation							
Opening balance	£418,671	£921,914	£5,344	£1,605,519	£222,858	£484,470	£3,658,776
Charge for the year	-	74,595	1,602	1,361,094	161,075	354,597	1,952,963
Disposals	-	6,275	268	95,656	12,501	102,744	217,444
	-	-	-	-	-	(145,318)	(145,318)
Closing balance	-	80,870	1,870	1,456,750	173,576	312,023	2,025,089
Net book value							
30th April 1997	£418,671	£841,044	£3,474	£148,769	£49,282	£172,447	£1,633,687
30th April 1996	£418,671	£656,435	£3,742	£131,337	£29,589	£111,399	£1,351,173
Assets held under hire purchase contracts							
30th April 1997	£	-	£	£106,659	£13,660	£161,404	£281,723
30th April 1996	£	-	£	£77,729	£11,867	£88,678	£178,274

APOLLO CHEMICALS LIMITED

NOTES TO THE ACCOUNTS - 30TH APRIL 1997
(continued)

11. Fixed assets - Tangible continued

	<u>1997</u> £	<u>1996</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	£99,555	£99,555
	<u> </u>	<u> </u>
Long leasehold land and buildings 1990 open market value	684,833	684,833
Aggregate depreciation thereon	(76,571)	(70,609)
	<u> </u>	<u> </u>
Net book value	£608,262	£614,224
	<u> </u>	<u> </u>
Historical cost of revalued assets	272,132	272,132
Aggregate depreciation based on historical cost	(48,434)	(47,892)
	<u> </u>	<u> </u>
Historical cost net book value	£223,698	£224,240
	<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>1997</u>	<u>1996</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 1997, the aggregate share capital and reserves of the subsidiary undertaking amounted to £(126,075), (1996 (£165,337) and the profit for the year was £39,262 (1996 £39,220).

13. Life assurance policies

	<u>1997</u>	<u>1996</u>
Premiums paid to date	£1,032	£1,032
	<u> </u>	<u> </u>

The policies are on the lives of directors.

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)

14. Stock

	<u>1997</u>	<u>1996</u>
	£	£
Raw materials	590,726	643,458
Solvents	17,652	45,585
Finished goods	350,415	357,821
Equipment for resale	11,981	10,777
Packing materials	64,669	76,220
Stationery	7,500	7,500
	<hr/>	<hr/>
	£1,042,943	£1,141,361
	<hr/>	<hr/>

15. Debtors - Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	2,395,140	2,491,721
Other debtors	162	6,055
Prepayments	48,751	34,334
	<hr/>	<hr/>
	£2,444,053	£2,532,110
	<hr/>	<hr/>

16. Creditors - Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft	382,182	549,102
Loan - Lombard North Central PLC	27,168	27,168
Amount due on hire purchase	123,784	116,577
Trade creditors	934,428	984,440
Value added tax	216,585	219,574
Taxation	208,307	16,795
Social security	37,239	14,960
Corporation tax	188,536	19,869
Other creditors	5,198	5,245
Accruals	204,168	1,187,766
Directors loans	932,355	574,824
Loan - Raleigh Adhesive Coatings Limited	156,043	144,679
Loan - Apollo Adhesives Limited	500,000	-
	<hr/>	<hr/>
	£3,915,993	£3,860,999
	<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 1997
(continued)17. Creditors - Amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
	£	£
Amount due on hire purchase, repayable within five years	142,790	72,573
Loan - Lombard North Central PLC repayable within five years	6,341	29,566
	<hr/>	<hr/>
	£149,131	£102,139
	<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 vaccum mixing vessels, serial number V109 and V110 dated 10th August 1993.

18. Obligations under hire purchase

	<u>1997</u>	<u>1996</u>
	£	£
Amounts payable within one year	141,444	125,164
Amounts payable after more than one year		
In the second to fifth years inclusive	151,266	75,212
	<hr/>	<hr/>
	292,710	200,376
<u>Less:</u>		
Finance charges allocated to future periods	(26,136)	(11,226)
	<hr/>	<hr/>
	£266,574	£189,150
	<hr/>	<hr/>
Disclosed as:-		
Creditors - Amounts falling due within one year	123,784	116,577
Creditors - Amounts falling due after more than one year	142,790	72,573
	<hr/>	<hr/>
	£266,574	£189,150
	<hr/>	<hr/>
Analysis of changes under hire purchase and during the current period		
Opening balance at 1st May 1996	189,150	297,942
Proceeds in new borrowings	307,857	65,532
Capital element of hire purchase payments	(230,433)	(174,324)
	<hr/>	<hr/>
Closing balance at 30th April 1997	£266,574	£189,150
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)

19. Share capital

	<u>1997</u> £	<u>1996</u> £
<u>Authorised</u>		
Ordinary shares of £1 each	15,000	15,000
"B" shares of £1 each	71	71
	<hr/>	<hr/>
	£15,071	£15,071
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
	£	£
Ordinary shares of £1 each	1,334	1,334
"B" shares of £1 each	71	71
	<hr/>	<hr/>
	£1,405	£1,405
	<hr/>	<hr/>

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	977,781	400,715	1,378,496
	<hr/>	<hr/>	<hr/>
	£1,591,715	£400,715	£1,992,448
	<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. (1996 Nil).

(b) At 30th April 1997 the company had annual commitments under operating leases, falling due in the year ending 30th April 1998 as follows:-

	<u>Land and buildings</u> £	<u>Other assets</u> £
Operating leases which expire		
Between 2 and 5 years	-	3,871
Over 5 years	61,325	-
	<hr/>	<hr/>
	£61,325	£3,871
	<hr/>	<hr/>

APOLLO CHEMICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 30TH APRIL 1997
(continued)23. Connected party transactions

Transactions with companies in which the director had material equity interests

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
<u>R.F. Saunders</u>		
Sales to		
Raleigh Adhesive Coatings Limited	108,185	108,155
Purchases from		
Raleigh Adhesive Coatings Limited	1,256,181	911,158
Management charges		
Raleigh Adhesive Coatings Limited	-	35,000

24. Holding company

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