

LD6 *L0BD6HDX* 275
COMPANIES HOUSE 24/07/2006

Omnova Performance Chemicals Limited

Registered No. 3734749

DIRECTORS

K McMullen

J LeMay

M Costello

T Rashid

SECRETARY

T Rashid

AUDITORS

Ernst & Young LLP

1 More London Place

London SE1 2AF

BANKERS

Barclays Bank PLC

25th Floor

1 Churchill Place

Canary Wharf

London E14 5HP

SOLICITORS

Simmons & Simmons

21 Wilson Street

London EC2M 2TX

REGISTERED OFFICE

74-78 Wood Lane End

Hemel Hempstead

Hertfordshire HP2 4RF

Omnova Performance Chemicals Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 November 2005.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £588,000 (2004: £155,000). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the business is the supply of floor care products.

In addition to organic growth, turnover has increased due to the ultimate parent company, Omnova Solutions Inc., transferring certain European business to the company.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies of expanding the business, especially in overseas markets, which have resulted in the company's successful performance during the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

K McMullen
J LeMay
T Rashid
M Costello

There are no directors' interests requiring disclosure under the Companies Act 1985.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Director



Date:

19/7/06

Omnova Performance Chemicals Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT to the members of Omnova Performance Chemicals Limited

We have audited the company's financial statements for the year ended 30 November 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit 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 auditors' 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 United Kingdom law and 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 the 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.

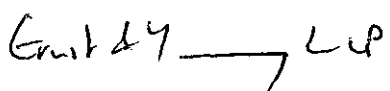
Basis of audit opinion

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 and 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 affairs of the company as at 30 November 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

Date: 20 July 2006

Omnova Performance Chemicals Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 November 2005

	Notes	2005 £000	2004 £000
TURNOVER	2	9,420	2,971
Cost of sales		(7,171)	(2,239)
Gross profit		<u>2,249</u>	<u>732</u>
Administrative expenses		(903)	(326)
Distribution costs		(519)	(185)
		<u>(1,422)</u>	<u>(511)</u>
OPERATING PROFIT	3	<u>827</u>	<u>221</u>
Bank interest receivable		25	12
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>852</u>	<u>233</u>
Tax on profit on ordinary activities	6	(264)	(78)
RETAINED PROFIT	12	<u><u>588</u></u>	<u><u>155</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit in the year attributable to shareholders of the company of £588,000 (2004: £155,000).

Omnova Performance Chemicals Limited


BALANCE SHEET at 30 November 2005

	Notes	2005 £000	2004 £000
FIXED ASSETS			
Intangible assets	7	100	125
CURRENT ASSETS			
Stocks	8	270	241
Debtors	9	2,174	1,013
Cash at bank and in hand		1,310	1,083
		3,754	2,337
CREDITORS: amounts falling due within one year	10	(2,494)	(1,690)
NET CURRENT ASSETS		1,260	647
TOTAL ASSETS LESS CURRENT LIABILITIES		1,360	772
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	1,360	772
		1,360	772

Approved by the Board on
and signed on its behalf by

Director

Date:


19/12/06

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS

at 30 November 2005

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cashflow

In accordance with Financial Reporting Standard 1 (revised) Cash Flow Statements, the company is exempt from the requirements to prepare a cash flow statement since it is controlled by the group headed by Omonova Wallcovering (UK) Limited, a company registered in England and Wales, which prepares financial statements which are publicly available.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost and are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Raw materials and goods for resale are stated at standard cost. Work-in-progress and manufactured finished goods are stated at the cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

The employees of the company are members of the defined contribution pension scheme operated by its immediate parent undertaking, Omonova Wallcovering (UK) Limited. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS at 30 November 2005

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, the supply of floor care products.

An analysis of turnover by geographical market is given below:

	2005 £000	2004 £000
United Kingdom	3,174	940
Europe	6,023	1,994
Rest of the world	223	37
	<u>9,420</u>	<u>2,971</u>

3. OPERATING PROFIT

This is stated after charging:

	2005 £000	2004 £000
Amortisation of owned intangible assets	25	25
Operating lease rentals – motor vehicles	6	8
Auditors' remuneration – audit	8	6
– other	6	6
	<u>45</u>	<u>45</u>

4. DIRECTORS' EMOLUMENTS

The directors are also directors of, and were paid by, other group undertakings. The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the Company and their services as directors of the other group undertaking.

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS at 30 November 2005

5. STAFF COSTS

	2005 £000	2004 £000
Wages and salaries	176	149
Social security costs	21	18
Other pension costs	9	8
	<u>206</u>	<u>175</u>

The monthly average number of employees during the year was as follows:

	2005 No.	2004 No.
Administration	<u>4</u>	<u>3</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) The tax charge is made up as follows:

	2005 £000	2004 £000
UK corporation tax at 30% (2004: 30%)	<u>264</u>	<u>78</u>

(b) Factors affecting current tax charge:

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are reconciled below:

Profit on ordinary activities before tax	<u>852</u>	<u>233</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	256	70
Expenses not deductible for tax purposes	<u>8</u>	<u>8</u>
Total current tax	<u>264</u>	<u>78</u>

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS at 30 November 2005

7. INTANGIBLE FIXED ASSETS

	Trade Marks £000	Customer Lists £000	Total £000
Cost:			
At 1 December 2004 and 30 November 2005	101	144	245
Amortisation:			
At 1 December 2004	51	69	120
Provided during the year	10	15	25
At 30 November 2005	61	84	145
Net book value:			
At 30 November 2005	40	60	100
At 1 December 2004	50	75	125

Trademarks and customer lists are amortised over their estimated useful economic life of 10 years.

8. STOCKS

	2005 £000	2004 £000
Finished goods	270	241

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

9. DEBTORS

	2005 £000	2004 £000
Amounts owed by group undertakings	123	452
Trade debtors	2,049	527
Other debtors	-	33
Prepayments	2	1
	2,174	1,013

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS at 30 November 2005

10. CREDITORS: amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	792	528
Amounts owed to group undertakings	1,572	1,122
Social security and other taxes	66	-
Accruals	64	40
	<u>2,494</u>	<u>1,690</u>

11. SHARE CAPITAL

	2005 £000	Authorised 2004 £000
Ordinary shares of £1 each	1	1

	2005 No.	2004 No.	2005 £	2004 £
Ordinary shares of £1 each	2	2	2	2

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 December 2003	-	617	617
Profit for the year	-	155	155
At 30 November 2004	-	772	772
Profit for the year	-	588	588
At 30 November 2005	-	1,360	1,360

13. PENSION COMMITMENTS

The employees of the company are members of the defined contribution pension scheme operated by its immediate parent undertaking, Omnova Wallcovering (UK) Limited. The assets of the scheme are held separately from those of the company in independently administered funds.

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS

at 30 November 2005

14. OTHER FINANCIAL COMMITMENTS

At 30 November 2005 the company had annual commitments under non cancellable operating leases as set out below:

	<i>Motor Vehicles</i>	
	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	4	-
In two to five years	4	4
	<hr/>	<hr/>
	8	4
	<hr/>	<hr/>

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within Financial Reporting Standard No. 8, which exempts disclosure of transactions with other group undertakings. There were no other related party transactions.

16. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Omnova Wallcovering (UK) Limited. It has included the company in its group accounts, copies of which are available from 74-78 Wood Lane End, Hemel Hempstead, Hertfordshire, HP2 4RF.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Omnova Solutions Inc., a company registered in the United States of America. Copies of its group accounts, which include the company, are available from 74-78 Wood Lane End, Hemel Hempstead, Hertfordshire, HP2 4RF.