

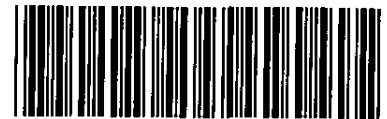
Registered No 3734749

OMNOVA PERFORMANCE CHEMICALS LIMITED

Report and Accounts

30 November 2009

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COMPANIES HOUSE

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

Registered No 3734749

The directors present their report and accounts for the year ended 30 November 2009

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1,897,000 (2008 £405,000) On 18th November 2009 the directors approved the payment of an interim dividend of £1,750,000 per share amounting to £3,500,000 (2008 £nil)

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the business is the supply of floor care products and chemical coatings

The performance chemical industry continues to be competitive and has seen some industry consolidation in the current difficult global market The directors view the principal risk to the company as the fluctuation in oil prices We continue to work closely with both suppliers and customers to develop products that meet their needs and to minimise the impact of fluctuating raw material prices

Turnover has increased to £15,534,000 in the year ended 30 November 2009 from £12,531,000 in the prior year primarily due to organic growth in Europe Our gross margins have increased to 29.0% this year compared to 24.3% in the prior year due to favourable exchange rate movements and the decreasing oil prices which determine the prices of raw materials

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

The directors during the year were as follows

K McMullen
J LeMay
T Rashid
M Costello

AUDITORS

In accordance with s 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the auditor, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the Board

T RASHID
Director
Date


10 Aug 2010

Omnova Performance Chemicals Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 MEMBERS OF OMNOVA PERFORMANCE CHEMICALS LIMITED

We have audited the financial statements of Omnova Performance Chemicals Ltd for the year ended 30 November 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

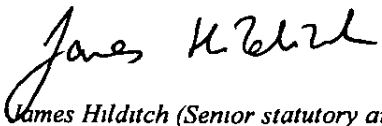
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



James Hilditch (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 11 August 2010

Omnova Performance Chemicals Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 November 2009

	<i>Notes</i>	<i>2009 £000</i>	<i>2008 £000</i>
TURNOVER	2	15,534	12,531
Cost of sales		(11,035)	(9,486)
Gross profit		<u>4,499</u>	<u>3,045</u>
Administrative expenses		(580)	(1,546)
Distribution costs		(1,276)	(953)
		<u>(1,856)</u>	<u>(2,499)</u>
OPERATING PROFIT	3	2,643	546
Bank interest receivable		<u>2</u>	<u>33</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,645	579
Tax on profit on ordinary activities	6	(748)	(174)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,897	405
Dividend	7	(3,500)	-
RETAINED RESULT TRANSFERRED TO RESERVES	13	<u>(1,603)</u>	<u>405</u>

All operations are continuing

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 £1,897,000 (2008 £405,000)

Omnova Performance Chemicals Limited

BALANCE SHEET at 30 November 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Intangible assets	8	3	27
CURRENT ASSETS			
Stocks	9	307	329
Debtors	10	3,615	6,632
Cash at bank and in hand		4,120	981
		8,042	7,942
CREDITORS amounts falling due within one year	11	(6,790)	(5,111)
NET CURRENT ASSETS		1,252	2,831
TOTAL ASSETS LESS CURRENT LIABILITIES		1,255	2,858
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	1,255	2,858
		1,255	2,858

Approved by the Board on
and signed on its behalf by **T. RASHID**

Director



Date

10 Aug 2010

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS

at 30 November 2009

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 Omnova 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, Omnova 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 2009

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

	2009	2008
	£000	£000
United Kingdom	3,568	3,405
Europe	11,412	8,729
Rest of the world	554	397
	<u>15,534</u>	<u>12,531</u>

3. OPERATING PROFIT

This is stated after charging

	2009	2008
	£000	£000
Amortisation of owned intangible assets	24	24
Operating lease rentals – motor vehicles	12	9
Auditors' remuneration – audit of the financial statements	15	15
– other fees to auditors – taxation services	3	3
	<u></u>	<u></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 2009

5. STAFF COSTS

	2009 £000	2008 £000
Wages and salaries	353	334
Social security costs	30	30
Other pension costs	12	10
	<u>395</u>	<u>374</u>

The monthly average number of employees during the year (excluding directors) was as follows

	2009 No	2008 No
Administration	<u>7</u>	<u>6</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) The tax charge is made up as follows

	2009 £000	2008 £000
UK corporation tax at 28% (2008 28.67%)	<u>748</u>	<u>174</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 28% (2008 28.67%). The differences are reconciled below

Profit on ordinary activities before tax	<u>2,645</u>	<u>579</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.67%)	741	166
Expenses not deductible for tax purposes	7	8
Total current tax	<u>748</u>	<u>174</u>

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS

at 30 November 2009

7 DIVIDENDS

	2009 £000	2008 £000
Dividend payable	3,500	-

A dividend of £1,750,000 per share has been proposed during the year (2008. £nil)

8. INTANGIBLE FIXED ASSETS

	Trade Marks £000	Customer Lists £000	Total £000
Cost			
At 1 December 2008 and 30 November 2009	101	144	245
Amortisation			
At 1 December 2008	92	126	218
Provided during the year	9	15	24
At 30 November 2009	101	141	242
Net book value			
At 30 November 2009	-	3	3
At 1 December 2008	9	18	27

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

9. STOCKS

	2009 £000	2008 £000
Finished goods	307	329

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

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS at 30 November 2009

10. DEBTORS

	2009 £000	2008 £000
Amounts owed by group undertakings	-	3,180
Trade debtors	3,610	3,449
Prepayments	5	3
	<u>3,615</u>	<u>6,632</u>

11. CREDITORS: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	1,303	1,406
Amounts owed to group undertakings	4,972	3,511
Social security and other taxes	44	80
Corporation tax	254	-
Accruals	217	114
	<u>6,790</u>	<u>5,111</u>

12. SHARE CAPITAL

	Authorised			
	2009 £000	2008 £000	2009 £	2008 £
Ordinary shares of £1 each	1	1		
	Allotted, called up and fully paid			
	2009 No	2008 No	2009 £	2008 £
Ordinary shares of £1 each	2	2	2	2

Omnova Performance Chemicals Limited

NOTES TO THE ACCOUNTS

at 30 November 2009

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 December 2007	-	2,453	2,453
Profit for the year	-	405	405
At 30 November 2008	-	2,858	2,858
Profit for the year	-	1,897	1,897
Dividend	-	(3,500)	(3,500)
At 30 November 2009	-	1,255	1,255

14. 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.

15. OTHER FINANCIAL COMMITMENTS

At 30 November 2009 the company had annual commitments under non cancellable operating leases as set out below

	<i>Motor Vehicles</i>	
	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire		
Within one year	-	3
In two to five years	18	5
	<u>18</u>	<u>8</u>

16. 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.

17. 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.