

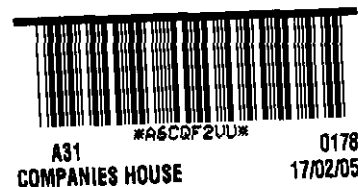
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APOLLO CHEMICALS GROUP LIMITED

1.

DIRECTORS REPORT AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS**30TH APRIL 2004**

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APOLLO CHEMICALS GROUP LIMITED

2.

GENERAL INFORMATION - 30TH APRIL 2004

Directors

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

Secretary

J.H. Saunders

Registered office

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

Company number

4977152 (England and Wales)

Auditors

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

Bankers

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

Solicitors

Waldrons,
68, High Street,
Brierley Hill,
West Midlands.

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

3.

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the period 26th November 2003 to 30th April 2004.

Change of name

The company changed its name from No 528 Leicester Limited on 18th February 2004.

Incorporation

The company was incorporated on 26th November 2003.

Business review and results

On 27th February 2004 the company acquired 100% of the share capital of Apollo Chemicals Holdings Limited and its subsidiary companies Apollo Chemicals Limited and Raleigh Adhesive Coatings Limited.

The company acquired the shares in Apollo Chemicals Holdings Limited by the issue of 100 ordinary £1 shares valued at £2,500,000 and the issue of £2,500,000 loan notes.

The company is an investment holding company which co-ordinates the activities of its trading subsidiaries which are involved in the manufacture of adhesive and adhesive tape.

The company has not traded during the period.

Dividends

The directors did not recommend the payment of a dividend.

Directors

The directors of the company at 30th April 2004 were:-

J.H. Davis - appointed 31st January 2004
R.F. Saunders - appointed 31st January 2004
H.A. Davis - appointed 31st January 2004
G. Saunders - appointed 31st January 2004

Harvey Ingram Limited were appointed on 26th November 2003 and resigned on 31st January 2004

Director interests in the shares of the company

The beneficial interests of the directors in the share capital of the company, as recorded in the register of directors interests, were:-

	<u>Ordinary shares of £1 each</u>	
	<u>26th November</u> <u>2003</u>	<u>30th April</u> <u>2004</u>
R.F. Saunders and family	-	100

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

REPORT OF THE DIRECTORS

(continued)

Share capital

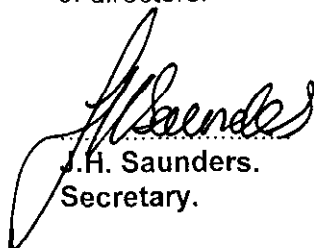
On 26th November 2003, 2 subscriber shares of £1 each were issued at par.

On 27th February 2004, 98 further £1 ordinary shares were issued at par for the purpose of raising working capital.

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: 2nd February 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 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 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 GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

6.

AUDITORS' REPORT TO THE MEMBERS OF APOLLO CHEMICALS GROUP LIMITED

We have audited the financial statements on pages 7 to 22, 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 13 and 14.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 5.

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 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 circumstances of the company and the group, 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 and of the group as at 30th April 2004, and of the period 26th November 2003 to 30th April 2004 and have been properly prepared in accordance with the Companies Act 1985.



Ronald Shaw & Co.

Chartered Accountants and Registered Auditors.

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

4th February 2005

APOLLO CHEMICALS GROUP LIMITED

7.

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD
26TH NOVEMBER 2003 TO 30TH APRIL 2004**

	<u>Note</u>	<u>2004</u> £	<u>2004</u> £
Turnover - 27th February 2004 to 30th April 2004	2		2,529,463
Materials and factored purchases		(1,213,073)	
Other external charges		(153,599)	
			<hr/> (1,366,672)
			1,162,791
Staff costs	3		(753,578)
Depreciation written off tangible fixed assets	8		(51,336)
Other operating charges			(335,648)
			<hr/> (1,140,562)
Group Operating profit	4		22,229
Interest payable	6		(5,476)
Interest receivable			4,336
			<hr/> (1,469)
Profit on ordinary activities before taxation			21,089
Taxation on results on ordinary activities	7		(4,278)
			<hr/> (16,811)
Retained profit carried forward	19		<u><u>£ 16,811</u></u>

None of the Group's activities were acquired or discontinued during the period 26th November 2003 to 30th April 2004.

The notes on pages 13 to 22 form part of these financial statements

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

**STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD 26TH NOVEMBER 2003 TO 30TH APRIL 2004**

	<u>2004</u>
	£
Profit for the financial period	16,811
Negative goodwill arising on consolidation	200,654
Total recognised gains for the period	£ 217,465

**RECONCILIATION OF CONSOLIDATED MOVEMENT IN SHAREHOLDERS FUNDS
FOR THE PERIOD 26TH NOVEMBER 2003 TO 30TH APRIL 2004**

	<u>2004</u>
	£
Share Capital Issued	100
Share premium	2,499,900
	2,500,000
<i>Total recognised gains for the period</i>	<i>217,465</i>
Closing shareholder funds	£ 2,717,465

The notes on pages 13 to 22 form part of these financial statements

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

CONSOLIDATED BALANCE SHEET, 30TH APRIL 2004

	<u>Note</u>	<u>2004</u> £	<u>2004</u> £
Fixed assets			
Tangible assets	8		2,313,128
Investments	9		-
Life assurance policies	10		1,032
			<hr/>
			2,314,160
Current assets			
Stock	11	1,642,419	
Debtors	12	4,615,720	
Cash at bank and in hand		489,002	
		<hr/>	
		6,747,141	
Creditors			
Amounts falling due within one year	13	(3,280,432)	
		<hr/>	
Net current assets			3,466,709
			<hr/>
Total assets less current liabilities			5,780,869
Creditors			
Amounts falling due after more than one year	14		(2,967,058)
Provisions for liabilities and charges	15		(96,346)
			<hr/>
			£ 2,717,465
			<hr/>
Capital and reserves			
Called up share capital	18		100
Share premium	19		2,499,900
Capital reserve	19		200,654
Profit and loss account	19		16,811
			<hr/>
Shareholders funds			£ 2,717,465
			<hr/>

Signed on behalf of the board
of directors

R.F. Saunders
Director.**Approved by the board: 2nd February 2005**

The notes on pages 13 to 22 form part of these financial statements

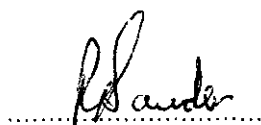
APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

PARENT COMPANY BALANCE SHEET, 30TH APRIL 2004

	<u>Note</u>	<u>2004</u> £
Fixed assets		
Investments	9	5,000,000
Creditors		
Amounts falling due after more than one year	14	(2,500,000)
Net assets		£ 2,500,000
Capital and reserves		
Called up share capital	18	100
Share capital	19	2,499,900
Shareholders funds		£ 2,500,000

Signed on behalf of the board
of directors



R.F. Saunders
Director.

Approved by the board: 2nd February 2005.

The notes on pages 13 to 22 form part of these financial statements

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

**STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE PERIOD 26TH NOVEMBER 2003 TO 30TH APRIL 2004**

	<u>2004</u> £	<u>2004</u> £
Cash outflow from operating activities (note 4b)		(93,437)
Returns on investment and servicing of finance		
Interest paid	(5,476)	
Interest received	4,336	
	<hr/>	(1,140)
		<hr/>
		(94,577)
UK corporation tax paid		-
		<hr/>
		(94,577)
Capital expenditure		
Payments to acquire tangible fixed assets	-	
Receipts from sale of tangible fixed assets	-	
	<hr/>	-
		<hr/>
Cash (outflow) before financing		(94,577)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(2,500,000)	
Net bank and cash acquired with subsidiaries	46,902	
	<hr/>	(2,453,098)
		<hr/>
Net cash outflow before financing		(2,547,675)
Financing		
Debt due more than one year		
Loan notes	2,500,000	
Capital element of finance lease payments	(61,567)	
	<hr/>	
Net cash (outflow)/inflow from financing		2,438,433
		<hr/>
(Decrease) in cash (note 17)		<u><u>£ (109,242)</u></u>

The notes on pages 13 to 22 form part of these financial statements

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

**RECONCILIATION OF NET CASHFLOW TO MOVEMENTS
IN NET CASH (NOTE 17)**

	<u>2004</u> £	<u>2004</u> £
(Decrease) in cash in the period	(109,242)	
Cash outflow from decrease in debt and lease financing	61,567	
Change in net (debt) arising from cash flows		(47,675)
Loans and finance leases acquired with subsidiaries		(798,778)
New loans notes		(2,500,000)
Movement in net debt in the period		(3,346,453)
Net funds at 26th November 2003		-
Net debt at 30th April 2004		£(3,346,453)

MAJOR NON-CASH TRANSACTIONS

The consideration for the purchase of subsidiary undertakings that occurred during the period comprises of shares and loan notes. Further details of the acquisition are set out below.

PURCHASE OF SUBSIDIARY UNDERTAKINGS

	<u>2004</u> £
Net assets acquired	
Tangible fixed assets	2,364,464
Life assurance policies	1,032
Stocks	1,993,186
Debtors	3,596,799
Cash at bank and in hand	225,505
Creditors	(1,912,793)
Bank overdrafts	(178,603)
Loans	(124,458)
Finance Leases	(674,320)
Deferred taxation	(90,158)
	5,200,654
Negative goodwill	(200,654)
	£ 5,000,000
Satisfied by	
Shares allotted	100
Share premium	2,499,900
Loan notes	2,500,000
	£ 5,000,000

The notes on pages 13 to 22 form part of these financial statements

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

1. Accounting policies

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

(b) Basis of consolidation

The consolidated financial statements include the results of Apollo Chemicals Group Limited and its subsidiary undertakings. No profit or loss account for the Company has been presented for Apollo Chemicals Group Limited as permitted by Section 230 of the Companies Act 1985.

(c) Turnover

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

(d) Negative goodwill

Negative goodwill written off is now included in undistributable reserves.

(e) 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

(f) 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.

(g) 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.

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

1. Accounting policies (continued)**(h) 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.

(i) Debtors

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

(j) 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.

(k) 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:-

	27th February 2004 to 30th April 2004
	£
United Kingdom	2,374,719
Eire	19,158
Rest of Europe	107,289
Middle East	2,776
Far East	3,730
United States of America	7,643
India	8,984
China	5,164
	<hr/> £2,529,463 <hr/>

3. Staff numbers and costs

The average number of persons employed by the company during the period were as follows:-

	27th February 2004 to 30th April 2004
Management	7
Administration	12
Sales, technical and production	87
	<hr/> 106 <hr/>

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

3. Staff numbers and costs - continued

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

	27th February 2004 to 30th April 2004
	£
Wages and salaries	714,311
Social security	69,845
Pension scheme contributions	21,922
Employee benefit trust repaid	(52,500)
	£ 753,578

4. Operating profit

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

	27th February 2004 to 30th April 2004
	£
Depreciation of tangible fixed assets	
Owned	25,481
Held under hire purchase contracts	25,855
	51,336
Directors emoluments for management (see note 5)	274,128
Directors life assurance policies	4,402
Employee Benefit trust repaid	(52,500)
Auditors remuneration and expenses	2,083

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

	27th February 2004 to 30th April 2004
	£
Operating profit	22,229
Depreciation of tangible fixed assets	51,336
Decrease in stocks	350,767
(Increase) in operating debtors and prepayments	(1,017,011)
Increase in operating creditors and accruals	499,242
	£ (93,437)

5. Directors emoluments

	27th February 2004 to 30th April 2004
	£
Emoluments	274,128
Emoluments of highest paid director	216,264
Company contributions paid to money purchase pension scheme	-
Members of money purchase pensions	2

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

6. Interest payable**27th February
2004 to 30th
April 2004**On overdrafts and loans repayable
within five years:-Bank
Hire purchase2,020
3,456

£ 5,476

7. Taxation**27th February
2004 to 30th
April 2004
£**Taxation based on the taxable profit for
the year:-Corporation tax
Overprovision for prior year
Transfer to deferred taxation1,634
(3,544)
6,188

£ 4,278

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

Capital allowances

£ 17,710

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 £20,000.

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004
(continued)

8. 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							
Introduced on consolidation	418,671	957,685	5,344	3,889,308	372,188	536,872	6,180,068
Closing balance	418,671	957,685	5,344	3,889,308	372,188	536,872	6,180,068
Cost	118,671	272,852	5,344	3,889,308	372,188	536,872	5,195,235
Valuation (1990)	300,000	684,833	-	-	-	-	984,833
	418,671	957,685	5,344	3,889,308	372,188	536,872	6,180,068
Depreciation							
Introduced on consolidation	20,238	126,011	3,699	2,983,991	324,807	356,858	3,815,604
Charge for the period	698	1,100	47	29,076	2,962	17,453	51,336
Closing balance	20,936	127,111	3,746	3,013,067	327,769	374,311	3,866,940
Group net book value							
30th April 2004	£ 397,735	£ 830,574	£ 1,598	£ 876,241	£ 44,419	£ 162,561	£ 2,313,128
Group assets held under hire purchase contracts							
30th April 2004	£ -	£ -	£ -	£ 510,475	£ -	£ 137,282	£ 647,757

The company Apollo Chemicals Group Limited, has no tangible fixed assets.

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

8. Fixed assets - Tangible (continued)

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

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

	<u>Group</u> <u>2004</u>	<u>Company</u> <u>2004</u>
Shares in group undertakings	£ -	5,000,000

At 30th April 2004 the wholly owned subsidiary based in the United Kingdom, and registered in England and Wales, was Apollo Chemicals Holdings Limited. The subsidiary is the holding company for Apollo Chemicals Limited and its subsidiary Raleigh Adhesive Coatings Limited who are manufactures of adhesive and adhesive tape.

The results of Apollo Chemicals Holdings Limited, Apollo Chemicals Limited and Raleigh Adhesive Coatings Limited have been included using the acquisition method of accounting.

The negative goodwill acquired on acquisition has been amortised and transferred to the capital reserve account.

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

10. Life assurance policies

	<u>Group</u> <u>2004</u>	<u>Company</u> <u>2004</u>
Premiums paid to date	£ 1,032	£ -

The policies are on the lives of directors.

11. Stock

	<u>Group</u> <u>2004</u>	<u>Company</u> <u>2004</u>
	£	£
Raw materials and finished goods	1,503,112	-
Equipment for resale	15,147	-
Packing materials	123,556	-
Stationery	604	-
	<u>£1,642,419</u>	<u>£ -</u>

12. Debtors - Amounts falling due within one year

	<u>Group</u> <u>2004</u>	<u>Company</u> <u>2004</u>
	£	£
Trade debtors	3,885,922	-
Other debtors	277,507	-
Prepayments	405,445	-
Corporation tax	46,846	-
	<u>£4,615,720</u>	<u>£ -</u>

13. Creditors - Amounts falling due within one year

	<u>Group</u> <u>2004</u>	<u>Company</u> <u>2004</u>
	£	£
Bank overdraft	598,244	-
Lombard loan	80,396	-
Amounts due on hire purchase	189,757	-
Trade creditors	1,411,903	-
Value Added Tax	319,037	-
Taxation	41,994	-
Social security	44,651	-
Corporation tax	9,804	-
Other creditors	105,359	-
Accruals	479,287	-
	<u>£3,280,432</u>	<u>£ -</u>

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

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

	Group 2004 £	Company 2004 £
Amounts due to Lombard repayable within five years	25,841	-
Amounts due on hire purchase repayable within five years	441,217	-
Loan notes repayable within five years	2,500,000	2,500,000
	£2,967,058	£2,500,000

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 notes are redeemable at the behest of the loan note holder, subject to a maximum redemption of £125,000 quarterly. No redemptions are permitted within the first six months.

15. Provisions for liabilities and charges

	Group 2004 £	Company 2004 £
Deferred taxation		
Introduced on consolidation	90,158	-
Transfer from profit and loss account	6,188	-
Closing balance	£96,346	£ -
The amount of deferred taxation provided represents:-		
Accelerated capital allowances	£96,346	£ -

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

16. Obligations under hire purchase

	<u>2004</u>
	£
Amounts payable within one year	232,877
Amounts payable after more than one year	
In the second to fifth years inclusive	500,352
	<hr/> 733,229
<u>Less:</u>	
Finance charges allocated to future periods	(102,255)
	<hr/> £ 630,974 <hr/>
Disclosed as:-	
Creditors - Amounts falling due within one year	189,757
Creditors - Amounts falling due after more than one year	441,217
	<hr/> £630,974 <hr/>

17. Analysis of changes in net funds/(debt)

	At 26th November 2003	Acquisition	Cash flows	Other changes	At 30th April 2004
	£	£	£	£	£
Bank and cash	-	-	489,002	-	489,002
Overdraft	-	-	(598,244)	-	(598,244)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(109,242)	-	(109,242)
Finance lease obligations	-	(674,320)	43,346	-	(630,974)
Debt due within one year	-	(98,617)	18,221	-	(80,396)
Debt due after one year	-	(25,841)	-	(2,500,000)	(2,525,841)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	£ -	£(798,778)	£ (47,675)	£(2,500,000)	£ (3,346,453)

APOLLO CHEMICALS GROUP LIMITED

(Incorporated 26th November 2003 - Formerly No 528 Leicester Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 30TH APRIL 2004

(continued)

18. Share capital

	<u>2004</u>
<u>Authorised</u>	
Ordinary shares of £1 each	£ 1,000
<u>Allocated, called up and fully paid</u>	
Ordinary shares of £1 each	£ 100

On 26th November 2003, 2 subscriber shares of £1 each were issued at par.

On 27th February 2004, 98 further £1 ordinary shares were issued at par for the purpose of raising working capital.

19. Reserves

	<u>Share premium</u>	<u>Capital Reserve</u>	<u>Profit and loss account</u>	<u>Total</u>
	£	£	£	£
Movement in period	2,499,900	200,654	16,811	2,717,365
Balance at 30th April 2004	£2,499,900	£ 200,654	£ 16,811	£2,717,365

The capital reserve represents negative goodwill arising on consolidation.

20. 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 2004 the group had annual commitments under operating leases falling due in the year ending 30th April 2005, as follows:-

	<u>Land and buildings</u>	<u>Other assets</u>
	£	£
Operating leases which expire		
Between 2 and 5 years	91,850	5,748
Over 5 years	127,925	-
	£ 219,775	£ 5,748

21. Comparative figures

There are no comparative figures, this being the first period of trading.