

COMPANY REGISTRATION NUMBER 4977152

**APOLLO CHEMICALS GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**30 APRIL 2008**



**RONALD SHAW & CO**  
Chartered Accountants & Registered Auditors  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

# **APOLLO CHEMICALS GROUP LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

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**APOLLO CHEMICALS GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

Mr R F Saunders  
Mrs G Saunders

**Company secretary**

Mr J H Saunders

**Registered office**

Ashford House  
95 Dixons Green  
Dudley  
West Midlands

**Auditor**

RONALD SHAW & CO  
Chartered Accountants  
& Registered Auditors  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

**Bankers**

Fortis Bank  
Camomile Court  
23 Camomile Street  
London

**Solicitors**

Waldrons Solicitors  
Wychbury Court  
Two Woods Lane  
Brierley Hill  
West Midlands

# APOLLO CHEMICALS GROUP LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2008

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 April 2008

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

	2008 £	2007 £
Turnover	<u>17,763,776</u>	<u>16,288,432</u>
Profit before taxation	310,739	562,952
Taxation	<u>93,667</u>	<u>151,652</u>
Profit for the year	<u>217,072</u>	<u>411,300</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 2009

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £217,072. Particulars of dividends paid are detailed in note 9 to the financial statements

### FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 18 to the accounts

### DIRECTORS

The directors who served the company during the year were as follows

Mr R F Saunders  
Mr J H Davis  
Mrs G Saunders  
Mrs H A Davis

Mr J H Davis retired as a director on 7 June 2007  
Mrs H A Davis retired as a director on 7 June 2007

**APOLLO CHEMICALS GROUP LIMITED****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 APRIL 2008**

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**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing these 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 group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

A resolution to re-appoint RONALD SHAW & CO as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

Signed by order of the directors



MR J H SAUNDERS  
Company Secretary

Approved by the directors on 13 October 2008

**APOLLO CHEMICALS GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**APOLLO CHEMICALS GROUP LIMITED**

**YEAR ENDED 30 APRIL 2008**

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We have audited the group and parent company financial statements ("the financial statements") of Apollo Chemicals Group Limited for the year ended 30 April 2008 which comprise the Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 group's and company's circumstances, consistently applied and adequately disclosed.

**APOLLO CHEMICALS GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**APOLLO CHEMICALS GROUP LIMITED** *(continued)*

**YEAR ENDED 30 APRIL 2008**

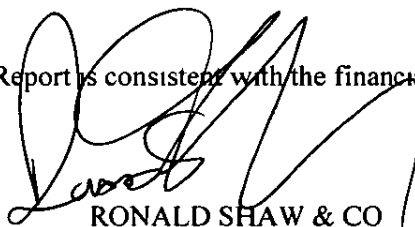
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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 April 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

  
RONALD SHAW & CO  
Chartered Accountants  
& Registered Auditors

Ashford House  
95 Dixons Green  
Dudley  
West Midlands

Our audit was completed on 14 October 2008 and our opinion was expressed at that date

# **APOLLO CHEMICALS GROUP LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 30 APRIL 2008**

		<b>2008</b>	<b>2007</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>GROUP TURNOVER</b>	<b>2</b>	<b>17,763,776</b>	<b>16,288,432</b>
Change in stocks of finished goods and stationery		<u>113,647</u>	<u>20,337</u>
		<b>17,877,423</b>	<b>16,308,769</b>
<b>OPERATING COSTS:</b>			
Raw materials and consumables		8,774,361	8,294,157
Other external charges		1,225,647	980,209
Staff costs	3	4,812,937	3,894,071
Depreciation written off fixed assets	4	427,881	378,830
Other operating charges		<u>2,199,094</u>	<u>2,104,630</u>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>437,503</b>	<b>656,872</b>
Interest receivable		25,882	15,049
Interest payable and similar charges	6	<u>(152,646)</u>	<u>(108,969)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>310,739</b>	<b>562,952</b>
Tax on profit on ordinary activities	7	93,667	151,652
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>217,072</b>	<b>411,300</b>
Minority interests		<u>30,748</u>	<u>—</u>
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>8</b>	<b>186,324</b>	<b>411,300</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>£186,324</u></b>	<b><u>£411,300</u></b>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account

# **APOLLO CHEMICALS GROUP LIMITED**

## **GROUP BALANCE SHEET**

**30 APRIL 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>2,720,619</u>	<u>2,758,347</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,732,319	1,360,054
Debtors	13	4,186,090	3,783,215
Cash at bank		<u>2,370</u>	<u>1,694</u>
		<u>5,920,779</u>	<u>5,144,963</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>4,180,649</u>	<u>3,683,975</u>
<b>NET CURRENT ASSETS</b>		<u>1,740,130</u>	<u>1,460,988</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,460,749</u>	<u>4,219,335</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>713,448</u>	<u>741,251</u>
		<u>3,747,301</u>	<u>3,478,084</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	17	<u>159,594</u>	<u>171,449</u>
		<u>3,587,707</u>	<u>3,306,635</u>
<b>MINORITY INTERESTS</b>		<u>125,202</u>	<u>—</u>
		<u>£3,462,505</u>	<u>£3,306,635</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	300	100
Share premium account	22	2,499,900	2,499,900
Other reserves	22	181,000	175,654
Profit and loss account	22	<u>781,305</u>	<u>630,981</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>£3,462,505</u>	<u>£3,306,635</u>

These financial statements were approved by the directors and authorised for issue on 13 October 2008, and are signed on their behalf by



MR R F SAUNDERS  
Director

# **APOLLO CHEMICALS GROUP LIMITED**

## **BALANCE SHEET**

**30 APRIL 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	11	4,926,201	5,025,000
<b>CURRENT ASSETS</b>			
Debtors	13	73,999	—
Cash at bank		91	—
		74,090	—
<b>CREDITORS: Amounts falling due within one year</b>	14	500,027	525,000
<b>NET CURRENT LIABILITIES</b>		(425,937)	(525,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,500,264	4,500,000
<b>CREDITORS: Amounts falling due after more than one year</b>	15	—	500,000
		<u>£4,500,264</u>	<u>£4,000,000</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	300	100
Share premium account	22	2,499,900	2,499,900
Profit and loss account	22	2,000,064	1,500,000
<b>SHAREHOLDERS' FUNDS</b>		<u>£4,500,264</u>	<u>£4,000,000</u>

These financial statements were approved by the directors and authorised for issue on 13 October 2008, and are signed on their behalf by



MR R F SAUNDERS  
Director

# **APOLLO CHEMICALS GROUP LIMITED**

## **GROUP CASH FLOW STATEMENT**

**YEAR ENDED 30 APRIL 2008**

		<b>2008</b>	<b>2007</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>23</b>	<b>718,500</b>	<b>259,308</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>24</b>	<b>(126,764)</b>	<b>(93,920)</b>
<b>TAXATION</b>	<b>25</b>	<b>(94,841)</b>	<b>(19,549)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>26</b>	<b>(390,153)</b>	<b>(806,392)</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>(36,000)</b>	<b>—</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>70,742</b>	<b>(660,553)</b>
<b>FINANCING</b>	<b>27</b>	<b>136,700</b>	<b>(492,461)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>28</b>	<b><u>£207,442</u></b>	<b><u>£(1,153,014)</u></b>

The notes on pages 10 to 24 form part of these financial statements.

# APOLLO CHEMICALS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

#### **Basis of consolidation**

The consolidated financial statements incorporated the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method, negative goodwill written off is now included in undistributed reserves. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of Section 230 of the Companies Act 1985.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 100 years
Long Leasehold Property	- 125 years
Plant & Equipment	- 4 years
Office equipment	- 7 years
Motor Vehicles	- 4 years

#### **Stocks**

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

#### **Work in progress**

Stationery is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of stationery

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

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**1. ACCOUNTING POLICIES** *(continued)*

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**Pension costs**

The company operates a defined contribution pensions scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**Deferred taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect on all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future

**Foreign currencies**

**Company**

Transactions in foreign currencies are translated at the exchange 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

**Group**

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**1. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

**Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

**Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

**Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

**2. TURNOVER**

The total turnover arose from the activity of manufacturing and factoring adhesives.

The analysis of turnover by geographical area is as follows -

	2008	2007
	£	£
United Kingdom	15,718,140	14,551,278
Eire	373,027	199,359
Rest of Europe	1,353,761	1,212,122
Middle East	74,422	49,102
Far East	3,897	6,163
South America	11,822	10,169
United States of America	11,405	14,844
India	70,562	110,896
China	138,570	91,383
Australia	215	-
South Africa	7,956	43,116
	<u>17,763,776</u>	<u>16,288,432</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to:

	<b>2008</b>	<b>2007</b>
	<b>No</b>	<b>No</b>
Number of production staff	<b>78</b>	<b>77</b>
Number of administrative staff	<b>16</b>	<b>16</b>
Number of management staff	<b>5</b>	<b>5</b>
Number of other staff - defineable	<b>24</b>	<b>22</b>
	<b><u>123</u></b>	<b><u>120</u></b>

The aggregate payroll costs of the above were

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,729,411</b>	<b>3,413,067</b>
Social security costs	<b>994,637</b>	<b>356,359</b>
Other pension costs	<b>82,286</b>	<b>98,233</b>
Life assurance policies	<b>6,603</b>	<b>26,412</b>
	<b><u>£4,812,937</u></b>	<b><u>£3,894,071</u></b>

### **4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>117,199</b>	<b>203,945</b>
Depreciation of assets held under hire purchase agreements	<b>313,900</b>	<b>190,730</b>
Profit on disposal of fixed assets	<b>(3,218)</b>	<b>(15,845)</b>
Auditor's remuneration		
- as auditor	<b>14,000</b>	<b>12,500</b>
Operating lease costs		
Plant and equipment	<b><u>19,391</u></b>	<b><u>18,740</u></b>

### **5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Emoluments receivable	<b><u>658,223</u></b>	<b><u>692,732</u></b>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**5. DIRECTORS' EMOLUMENTS** *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2008	2007
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Interest payable on bank borrowing	1,792	7,045
Finance charges	112,854	36,924
Other similar charges payable	38,000	65,000
	<u>£152,646</u>	<u>£108,969</u>

**7. TAXATION ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

	2008	2007
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 29.67% (2007 - 26.03%)	105,522	94,841
(Over)/under provision in prior year	-	3,442
Total current tax	<u>£105,522</u>	<u>£98,283</u>
Deferred tax		
Origination and reversal of timing differences	(11,855)	53,369
Tax on profit on ordinary activities	<u>93,667</u>	<u>151,652</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **7. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

#### **(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 29.67% (2007 - 26.03%)

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>310,739</u>	<u>562,952</u>
Profit on ordinary activities by rate of tax	87,154	448,394
Expenses not deductible for tax purposes	2,034	2,243
Capital allowances for period in excess of depreciation	16,335	(34,689)
Utilisation of tax losses	-	(6,177)
Adjustments to tax charge in respect of previous periods	-	3,442
Rounding on tax charge	(1)	-
Sundry tax adjusting items	-	(314,930)
Total current tax (note 7(a))	<u>£105,522</u>	<u>£98,283</u>

#### **(c) Factors that may affect future tax charges**

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.

### **8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The profit dealt with in the accounts of the parent company was £500,064 (2007 - £500,000)

### **9. DIVIDENDS**

#### **Equity dividends**

	2008	2007
	£	£
Paid		
Equity dividends on ordinary shares	<u>36,000</u>	<u>-</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **10. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold &amp; Leasehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST</b>					
At 1 May 2007	1,381,700	5,100,214	395,489	431,100	7,308,503
Additions	–	198,081	2,914	202,158	403,153
Disposals	–	–	–	(34,160)	(34,160)
<b>At 30 April 2008</b>	<b>1,381,700</b>	<b>5,298,295</b>	<b>398,403</b>	<b>599,098</b>	<b>7,677,496</b>
<b>DEPRECIATION</b>					
At 1 May 2007	184,980	3,717,213	368,772	279,191	4,550,156
Charge for the year	11,059	288,924	10,116	121,000	431,099
On disposals	–	–	–	(24,378)	(24,378)
<b>At 30 April 2008</b>	<b>196,039</b>	<b>4,006,137</b>	<b>378,888</b>	<b>375,813</b>	<b>4,956,877</b>
<b>NET BOOK VALUE</b>					
<b>At 30 April 2008</b>	<b>1,185,661</b>	<b>1,292,158</b>	<b>19,515</b>	<b>223,285</b>	<b>2,720,619</b>
At 30 April 2007	1,196,720	1,383,001	26,717	151,909	2,758,347
				<b>2008 £</b>	<b>2007 £</b>
<b>COST OR VALUATION</b>					
Freehold				418,671	418,671
Long leasehold				957,685	957,685
Short leasehold				5,344	5,344
				<b>1,381,700</b>	<b>1,381,700</b>
<b>DEPRECIATION</b>					
Freehold				(37,685)	(33,498)
Long leasehold				(153,665)	(147,067)
Short leasehold				(4,689)	(4,415)
				<b>(196,039)</b>	<b>(184,980)</b>

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 additions to land and buildings are included at cost.

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

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **10. TANGIBLE FIXED ASSETS** *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	<b>Freehold Property £</b>	<b>Long Leasehold Property £</b>	<b>Total £</b>
<b>Net book value at end of year</b>	<u>380,986</u>	<u>804,149</u>	<u>1,185,135</u>
<b>Historical cost</b>	<u>218,226</u>	<u>544,984</u>	<u>763,210</u>
<b>Depreciation:</b>			
At 1 May 2007	17,458	83,600	101,058
Charge for year	<u>2,182</u>	<u>3,760</u>	<u>5,942</u>
At 30 April 2008	<u>19,640</u>	<u>87,360</u>	<u>107,000</u>
<b>Net historical cost value:</b>			
At 30 April 2008	<u>198,586</u>	<u>457,624</u>	<u>656,210</u>
At 1 May 2007	<u>200,768</u>	<u>461,384</u>	<u>662,152</u>

#### **Hire purchase agreements**

Included within the net book value of £2,720,619 is £1,431,091 (2007 - £543,323) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £313,900 (2007 - £190,730)

### **11. INVESTMENTS**

<b>Company</b>	<b>Shares in group companies brought forward £</b>
<b>Cost</b>	
Balance brought forward	5,025,000
Additions - group shares	1,201
Disposal of group shares @ cost	<u>(100,000)</u>
Balance carried forward	<u>£4,926,201</u>
<b>Net book value</b>	
Balance carried forward	<u>4,926,201</u>
<b>Net book value</b>	
Balance brought forward	<u>5,025,000</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

	Country of incorporation	Dormant	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertakings</b>				
All held by the company				
Apollo Chemicals Holdings Limited	England	Ordinary shares	100%	Dormant Company
Apollo Chemicals Limited	England	Ordinary shares	100%	Manufacturer of Adhesives
Raleigh Adhesive Coatings Limited	England	Ordinary shares	84%	Manufacturer of Adhesives Tape

On the 1st May 2007 the group was reorganised with Apollo Chemicals Group Limited acquiring 100% equity in Apollo Chemicals Limited and Raleigh Adhesive Coatings Limited in return for the issue of 200 ordinary shares

On the 1st May 2007 Apollo Chemicals Group Limited disposed of 160 ordinary shares in Raleigh Adhesive Coatings Limited (16% equity)

### 12. STOCKS

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	1,293,792	1,036,101	—	—
Stationery	2,235	1,308	—	—
Finished goods	436,292	322,645	—	—
	<u>£1,732,319</u>	<u>£1,360,054</u>	<u>—</u>	<u>—</u>

### 13. DEBTORS

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	3,818,018	3,488,962	—	—
Amounts owed by group undertakings	—	—	73,999	—
Other debtors	279,785	194,836	—	—
Prepayments and accrued income	88,287	99,417	—	—
	<u>£4,186,090</u>	<u>£3,783,215</u>	<u>£73,999</u>	<u>—</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **14. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan notes	500,000	500,000	500,000	500,000
Bank loans and overdrafts	94,576	449,278	-	-
Trade creditors	1,634,153	1,586,647	-	-
Amounts owed to group undertakings	-	-	-	25,000
Hire purchase agreements	449,572	237,133	-	-
Directors' loan accounts	106,857	133,373	-	-
Other creditors including taxation and social security				
Corporation tax	105,522	94,841	27	-
Other taxation and social security	283,398	352,758	-	-
Other creditors	221,901	208,950	-	-
Accruals and deferred income	784,670	120,995	-	-
	<u>£4,180,649</u>	<u>£3,683,975</u>	<u>£500,027</u>	<u>£525,000</u>

### **15. CREDITORS: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan notes	-	500,000	-	500,000
Hire purchase agreements	713,448	241,251	-	-
	<u>£713,448</u>	<u>£741,251</u>	<u>-</u>	<u>£500,000</u>

The loan notes are redeemable at the behest of the loan note holder, subject to maximum redemption of £125,000 quarterly. Second payment is expected to be due on 31st March 2009 of £500,000.

### **16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts payable within 1 year	449,572	237,133	-	-
Amounts payable between 2 to 5 years	713,448	241,251	-	-
	<u>1,163,020</u>	<u>478,384</u>	<u>-</u>	<u>-</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**17. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision brought forward	171,449	118,080	-	-
(Decrease)/Increase in provision	(11,855)	53,369	-	-
Provision carried forward	<u>£159,594</u>	<u>£171,449</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

<b>Group</b>	<b>2008</b>		<b>2007</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	<u>159,594</u>	<u>-</u>	<u>171,449</u>	<u>-</u>

**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations

**19. COMMITMENTS UNDER OPERATING LEASES**

At 30 April 2008 the group had annual commitments under non-cancellable operating leases as set out below

<b>Group</b>	<b>2008</b>		<b>2007</b>	
	<b>Land and buildings</b>	<b>Other items</b>	<b>Land and Buildings</b>	<b>Other items</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within 2 to 5 years	182,525	21,344	182,525	18,740
After more than 5 years	37,250	-	37,250	-
	<u>£219,775</u>	<u>£21,344</u>	<u>£219,775</u>	<u>£18,740</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### **20. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr R F Saunders throughout the current and previous year. Mr R F Saunders is the managing director and majority shareholder.

### **21. SHARE CAPITAL**

#### **Authorised share capital:**

	2008	2007
	£	£
300 Ordinary shares of £1 each	<u>300</u>	<u>100</u>

#### **Allotted, called up and fully paid:**

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>100</u>	<u>100</u>

### **22. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

Group	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total share- holders' funds £
Balance brought forward	100	2,499,900	175,654	219,681	2,895,335
Profit for the year	—	—	—	411,300	411,300
Balance brought forward	£100	£2,499,900	£175,654	£630,981	£3,306,635
Profit for the year	—	—	—	186,324	186,324
Equity dividends	—	—	—	(36,000)	(36,000)
Other movements					
New equity share capital subscribed	200	—	—	—	200
- transfer to/from capital redemption reserve	—	—	5,346	—	5,346
Balance carried forward	<u>£300</u>	<u>£2,499,900</u>	<u>£181,000</u>	<u>£781,305</u>	<u>£3,462,505</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

<b>Company</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total share-holders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	100	2,499,900	1,000,000	3,500,000
Profit for the year	—	—	500,000	500,000
Balance brought forward	<u>£100</u>	<u>£2,499,900</u>	<u>£1,500,000</u>	<u>£4,000,000</u>
Profit for the year	—	—	500,064	500,064
Other movements				
New equity share capital subscribed	200	—	—	200
Balance carried forward	<u>£300</u>	<u>£2,499,900</u>	<u>£2,000,064</u>	<u>£4,500,264</u>

### **23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating profit	437,503	656,872
Depreciation	431,099	394,675
Profit on disposal of fixed assets	(3,218)	(15,845)
Increase in stocks	(372,265)	(85,320)
Increase in debtors	(402,875)	(542,873)
Increase/(decrease) in creditors	628,256	(148,201)
Net cash inflow from operating activities	<u>£718,500</u>	<u>£259,308</u>

### **24. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Interest received	25,882	15,049
Interest paid	(39,792)	(72,045)
Interest element of hire purchase	<u>(112,854)</u>	<u>(36,924)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(126,764)</u>	<u>(93,920)</u>

### **25. TAXATION**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Taxation	<u>(94,841)</u>	<u>(19,549)</u>

# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2008**

### 26. CAPITAL EXPENDITURE

	2008	2007
	£	£
Payments to acquire tangible fixed assets	(403,153)	(835,857)
Receipts from sale of fixed assets	<u>13,000</u>	<u>29,465</u>
Net cash outflow from capital expenditure	<u>(390,153)</u>	<u>(806,392)</u>

### 27. FINANCING

	2008	2007
	£	£
Issue of equity share capital	200	—
Repayment of loan notes	(500,000)	(500,000)
(Repayment of)/increase in bank loans	(48,136)	48,136
Capital element of hire purchase	<u>684,636</u>	<u>(40,597)</u>
Net cash inflow/(outflow) from financing	<u>136,700</u>	<u>(492,461)</u>

### 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008	2007
	£	£
Increase/(decrease) in cash in the period	207,442	(1,153,014)
Net cash outflow from loan notes	500,000	500,000
Net cash outflow from/(inflow) from bank loans	48,136	(48,136)
Cash outflow in respect of hire purchase	<u>(684,636)</u>	<u>40,597</u>
	<u>70,942</u>	<u>(660,553)</u>
Change in net debt	70,942	(660,553)
Net debt at 1 May 2007	<u>(1,925,968)</u>	<u>(1,265,415)</u>
Net debt at 30 April 2008	<u>£(1,755,226)</u>	<u>£(1,925,968)</u>

### 29. ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2007	Cash flows	At 30 Apr 2008
	£	£	£
Cash in hand and at bank	1,694	676	2,370
Overdrafts	(401,142)	306,566	(94,576)
Debt due within 1 year	(548,136)	48,136	(500,000)
Debt due after 1 year	(500,000)	500,000	—
Hire purchase agreements	<u>(478,384)</u>	<u>(684,636)</u>	<u>(1,163,020)</u>
Net debt	<u>£(1,925,968)</u>	<u>£170,742</u>	<u>£(1,755,226)</u>