

**APOLLO CHEMICALS GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**30 APRIL 2009**

**RONALD SHAW & CO**

Chartered Accountants & Registered A  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

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# **APOLLO CHEMICALS GROUP LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2009**

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<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
The directors' report	<b>2</b>
Independent auditor's report to the shareholders	<b>4</b>
Profit and loss account	<b>6</b>
Group balance sheet	<b>7</b>
Balance sheet	<b>8</b>
Group cash flow statement	<b>9</b>
Notes to the financial statements	<b>10</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>26</b>
Notes to the detailed profit and loss account	<b>27</b>

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

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**The board of directors**

Mr R.F. Saunders  
Mrs G. Saunders  
Mr J.H. Saunders

**Company secretary**

Mrs C. 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 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 April 2009.

### 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.

	2009 £	2008 £
Turnover	<u>15,250,261</u>	<u>17,763,776</u>
Profit before taxation	179,791	310,739
Taxation	<u>44,944</u>	<u>93,667</u>
Profit for the year	<u>134,847</u>	<u>217,072</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 £134,847. The directors have not recommended a dividend.

### 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

Mrs G. Saunders

Mr J.H. Saunders

Mr J.H. Saunders was appointed as a director on 7 January 2009.

### 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:

# APOLLO CHEMICALS GROUP LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2009

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- 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 2006. 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 489 of the Companies Act 2006.

Registered office:  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

Signed by order of the directors



MRS C. SAUNDERS  
Company Secretary

Approved by the directors on 15 October 2009

**APOLLO CHEMICALS GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**APOLLO CHEMICALS GROUP LIMITED**  
**YEAR ENDED 30 APRIL 2009**

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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 2009 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 495 of the Companies Act 2006. 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 2006. 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 2009**

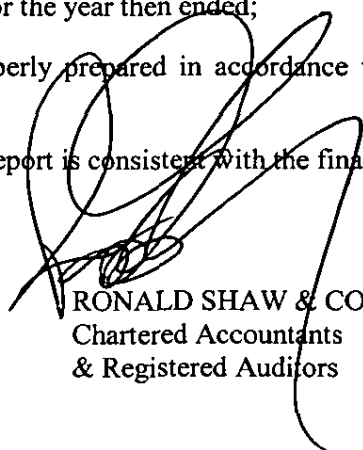
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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material 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 2009 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; 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 16th October 2009 and our opinion was expressed at that date.

# APOLLO CHEMICALS GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2009

	Note	2009 £	2008 £
<b>GROUP TURNOVER</b>	<b>2</b>	<b>15,250,261</b>	<b>17,763,776</b>
Change in stocks of finished goods		42,175	113,647
		<u>15,292,436</u>	<u>17,877,423</u>
<b>OPERATING COSTS:</b>			
Raw materials and consumables		7,553,424	8,774,361
Other external charges		1,084,381	1,225,647
Staff costs	3	3,866,830	4,812,937
Depreciation written off fixed assets	4	410,963	427,881
Other operating charges		2,100,577	2,199,094
<b>OPERATING PROFIT</b>	<b>4</b>	<b>276,261</b>	<b>437,503</b>
Interest receivable		9,202	25,882
Interest payable and similar charges	6	(105,672)	(152,646)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>179,791</b>	<b>310,739</b>
Tax on profit on ordinary activities	7	44,944	93,667
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>134,847</b>	<b>217,072</b>
Minority interests		19,506	30,748
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>8</b>	<b>115,341</b>	<b>186,324</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>£115,341</u></b>	<b><u>£186,324</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 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

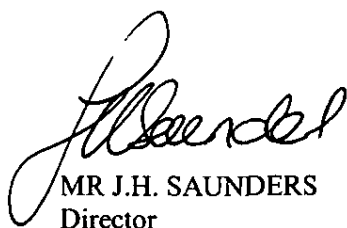
The notes on pages 10 to 24 form part of these financial statements.



**APOLLO CHEMICALS GROUP LIMITED**  
**GROUP BALANCE SHEET**  
**30 APRIL 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>2,613,524</u>	<u>2,720,619</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,591,689	1,732,319
Debtors	13	3,500,754	4,186,090
Cash at bank		<u>124,255</u>	<u>2,370</u>
		<u>5,216,698</u>	<u>5,920,779</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>2,893,515</u>	<u>4,180,649</u>
<b>NET CURRENT ASSETS</b>		<u>2,323,183</u>	<u>1,740,130</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,936,707</u>	<u>4,460,749</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>1,076,703</u>	<u>713,448</u>
		<u>3,860,004</u>	<u>3,747,301</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	17	<u>137,450</u>	<u>159,594</u>
		<u>3,722,554</u>	<u>3,587,707</u>
<b>MINORITY INTERESTS</b>		<u>144,708</u>	<u>125,202</u>
		<u>£3,577,846</u>	<u>£3,462,505</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	300	300
Share premium account	22	2,499,900	2,499,900
Other reserves	22	181,000	181,000
Profit and loss account	22	896,646	781,305
<b>SHAREHOLDERS' FUNDS</b>	22	<u>£3,577,846</u>	<u>£3,462,505</u>

These financial statements were approved by the directors and authorised for issue on 15 October 2009, and are signed on their behalf by:

  
 MR J.H. SAUNDERS  
 Director

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

# APOLLO CHEMICALS GROUP LIMITED

## BALANCE SHEET

30 APRIL 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	11	4,926,201	4,926,201
<b>CURRENT ASSETS</b>			
Debtors	13	73,972	73,999
Cash at bank		85	91
		<u>74,057</u>	<u>74,090</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	—	500,027
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>74,057</u>	<u>(425,937)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,000,258</u>	<u>4,500,264</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	300	300
Share premium account	22	2,499,900	2,499,900
Profit and loss account	22	2,500,058	2,000,064
<b>SHAREHOLDERS' FUNDS</b>		<u>£5,000,258</u>	<u>£4,500,264</u>

These financial statements were approved by the directors and authorised for issue on 15 October 2009, and are signed on their behalf by:

MR J.H. SAUNDERS  
Director

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

# **APOLLO CHEMICALS GROUP LIMITED**

## **GROUP CASH FLOW STATEMENT**

**YEAR ENDED 30 APRIL 2009**

		2009 £	2008 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>Note 23</b>	<b>764,270</b>	<b>718,500</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>24</b>	<b>(96,470)</b>	<b>(126,764)</b>
<b>TAXATION</b>	<b>25</b>	<b>(105,522)</b>	<b>(94,841)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>26</b>	<b>(303,868)</b>	<b>(390,153)</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>–</b>	<b>(36,000)</b>
<b>CASH INFLOW BEFORE FINANCING</b>		<b>258,410</b>	<b>70,742</b>
<b>FINANCING</b>	<b>27</b>	<b>(41,949)</b>	<b>136,700</b>
<b>INCREASE IN CASH</b>	<b>28</b>	<b><u>£216,461</u></b>	<b><u>£207,442</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 2009

### 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 495 of the Companies Act 2006.

#### **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.

#### **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.

#### **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.

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

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

**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.

**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.

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

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

***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:-

	2009	2008
	£	£
United Kingdom	12,998,773	15,718,139
Eire	252,054	373,027
Rest of Europe	1,603,839	1,353,761
Middle East	103,500	74,422
Far East	6,162	3,897
South America	16,431	11,822
United States of America	24,427	11,405
India	34,257	70,562
China	161,567	138,570
Australia	-	215
South Africa	2,140	7,956
Russia	47,111	-
	<u>15,250,261</u>	<u>17,763,776</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

**3. PARTICULARS OF EMPLOYEES**

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

	2009	2008
	No	No
Number of production staff	70	78
Number of administrative staff	16	16
Number of management staff	4	5
Number of other staff - definable	27	24
	<u>117</u>	<u>123</u>

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	3,290,497	3,729,411
Social security costs	491,347	994,637
Other pension costs	84,986	82,286
Life assurance policies	—	6,603
	<u>£3,866,830</u>	<u>£4,812,937</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2009	2008
	£	£
Depreciation of owned fixed assets	171,032	117,199
Depreciation of assets held under hire purchase agreements	254,388	313,900
Profit on disposal of fixed assets	(14,457)	(3,218)
Auditor's remuneration		
- as auditor	14,500	14,000
Operating lease costs:		
Plant and equipment	<u>22,406</u>	<u>19,391</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2009	2008
	£	£
Emoluments receivable	<u>508,560</u>	<u>658,223</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

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

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

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008
	£	£
Interest payable on bank borrowing	6,960	1,792
Finance charges	78,712	112,854
Other similar charges payable	20,000	38,000
	<u>£105,672</u>	<u>£152,646</u>

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

	2009	2008
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 26.55% (2008 - 29.67%)	67,088	105,522
Total current tax	£67,088	£105,522
Deferred tax:		
Origination and reversal of timing differences	(22,144)	(11,855)
Tax on profit on ordinary activities	<u>44,944</u>	<u>93,667</u>



# APOLLO CHEMICALS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2009

### 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 26.55% (2008 - 29.67%).

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>179,791</u>	<u>310,739</u>
Profit on ordinary activities by rate of tax	47,744	87,154
Expenses not deductible for tax purposes	1,450	2,034
Capital allowances for period in excess of depreciation	17,887	16,335
Rounding on tax charge	7	(1)
Total current tax (note 7(a))	<u>£67,088</u>	<u>£105,522</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 £499,994 (2008 - £500,064).

### 9. DIVIDENDS

#### Equity dividends

	2009 £	2008 £
Paid		
Equity dividends on ordinary shares	<u>—</u>	<u>36,000</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

**10. TANGIBLE FIXED ASSETS**

Group	Freehold & Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 May 2008	1,381,700	5,298,295	398,403	599,098	7,677,496
Additions	–	307,639	10,229	10,500	328,368
Disposals	–	–	–	(131,049)	(131,049)
<b>At 30 April 2009</b>	<b>1,381,700</b>	<b>5,605,934</b>	<b>408,632</b>	<b>478,549</b>	<b>7,874,815</b>
<b>DEPRECIATION</b>					
At 1 May 2008	196,039	4,006,137	378,888	375,813	4,956,877
Charge for the year	11,061	311,464	9,721	93,174	425,420
On disposals	–	–	–	(121,006)	(121,006)
<b>At 30 April 2009</b>	<b>207,100</b>	<b>4,317,601</b>	<b>388,609</b>	<b>347,981</b>	<b>5,261,291</b>
<b>NET BOOK VALUE</b>					
<b>At 30 April 2009</b>	<b>1,174,600</b>	<b>1,288,333</b>	<b>20,023</b>	<b>130,568</b>	<b>2,613,524</b>
At 30 April 2008	1,185,661	1,292,158	19,515	223,285	2,720,619
				<b>2009</b>	<b>2008</b>
				<b>£</b>	<b>£</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				(41,872)	(37,685)
Long leasehold				(160,335)	(153,665)
Short leasehold				(4,893)	(4,689)
				<b>(207,100)</b>	<b>(196,039)</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 2009**

**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>376,799</u>	<u>797,801</u>	<u>1,174,600</u>
<b>Historical cost</b>	<u>218,226</u>	<u>544,984</u>	<u>763,210</u>
<b>Depreciation:</b>			
At 1 May 2008	19,640	87,360	107,000
Charge for year	<u>2,182</u>	<u>3,760</u>	<u>5,942</u>
At 30 April 2009	<u>21,822</u>	<u>91,120</u>	<u>112,942</u>
<b>Net historical cost value:</b>			
At 30 April 2009	<u>196,404</u>	<u>453,864</u>	<u>650,268</u>
At 1 May 2008	<u>198,586</u>	<u>457,624</u>	<u>656,210</u>
<b>Hire purchase agreements</b>			

Included within the net book value of £2,613,524 is £1,080,485 (2008 - £1,431,091) 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 £254,388 (2008 - £313,900).

**11. INVESTMENTS**

<b>Group</b>	<b>Total £</b>
<b>Cost</b>	
Balance carried forward	—
<b>Net book value</b>	
Balance carried forward	—
Balance brought forward	—

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

Company	Shares in group companies brought forward £
<b>Cost</b>	
Balance brought forward	4,926,201
Balance carried forward	<u>£4,926,201</u>
<b>Net book value</b>	
Balance carried forward	<u>4,926,201</u>
Balance brought forward	<u>4,926,201</u>

	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

**12. STOCKS**

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Raw materials	1,113,222	1,296,027	—	—
Finished goods	478,467	436,292	—	—
Stationery	1,744	2,235	—	—
	<u>£1,593,433</u>	<u>£1,734,554</u>	<u>—</u>	<u>—</u>

**13. DEBTORS**

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	3,213,423	3,818,018	—	—
Amounts owed by group undertakings	—	—	73,972	73,999
Other debtors	218,365	279,785	—	—
Prepayments and accrued income	68,966	88,287	—	—
	<u>£3,500,754</u>	<u>£4,186,090</u>	<u>£73,972</u>	<u>£73,999</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

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

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan notes	–	500,000	–	500,000
Bank loans and overdrafts	180,998	94,576	–	–
Trade creditors	1,558,345	1,634,153	–	–
Hire purchase agreements	363,370	449,572	–	–
Directors' loan accounts	275,146	106,857	–	–
Other creditors including taxation and social security:				
Corporation tax	67,088	105,522	–	27
Other taxation and social security	376,903	283,398	–	–
Other creditors	2,545	221,901	–	–
Accruals and deferred income	69,120	784,670	–	–
	<u>£2,893,515</u>	<u>£4,180,649</u>	<u>–</u>	<u>£500,027</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire purchase agreements	576,703	713,448	–	–
Other creditors	500,000	–	–	–
	<u>£1,076,703</u>	<u>£713,448</u>	<u>–</u>	<u>–</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>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts payable within 1 year	363,370	449,572	–	–
Amounts payable between 2 to 5 years	576,703	713,448	–	–
	<u>940,073</u>	<u>1,163,020</u>	<u>–</u>	<u>–</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

**17. DEFERRED TAXATION**

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

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision brought forward	<b>159,594</b>	171,449	-	-
Decrease in provision	<b>(22,144)</b>	(11,855)	-	-
Provision carried forward	<b><u>£137,450</u></b>	<u>£159,594</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>2009</b>		<b>2008</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	<b><u>137,450</u></b>	<u>-</u>	<u>159,594</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.

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

**19. COMMITMENTS UNDER OPERATING LEASES**

At 30 April 2009 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2009		2008	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	184,463	22,838	182,525	21,344
After more than 5 years	37,250	-	37,250	-
	<u>£221,713</u>	<u>£22,838</u>	<u>£219,775</u>	<u>£21,344</u>

**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:**

	2009	2008
	£	£
300 Ordinary shares of £1 each	<u>300</u>	<u>300</u>

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

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

**APOLLO CHEMICALS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2009**

**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	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 brought forward	£300	£2,499,900	£181,000	£781,305	£3,462,505
Profit for the year	—	—	—	115,341	115,341
Balance carried forward	£300	£2,499,900	£181,000	£896,646	£3,577,846

Company	Share capital £	Share premium account £	Profit and loss account £	Total share- holders' funds £
Balance brought forward	100	2,499,900	1,500,000	4,000,000
Profit for the year	—	—	500,064	500,064
Other movements				
New equity share capital subscribed	200	—	—	200
Balance brought forward	£300	£2,499,900	£2,000,064	£4,500,264
Profit for the year	—	—	499,994	499,994
Balance carried forward	£300	£2,499,900	£2,500,058	£5,000,258

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

	2009 £	2008 £
Operating profit	276,261	437,503
Depreciation	425,420	431,099
Profit on disposal of fixed assets	(14,457)	(3,218)
Decrease/(increase) in stocks	140,630	(372,265)
Decrease/(increase) in debtors	685,336	(402,875)
(Decrease)/increase in creditors	(748,920)	628,256
Net cash inflow from operating activities	£764,270	£718,500



# **APOLLO CHEMICALS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 2009**

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

	2009	2008
	£	£
Interest received	9,202	25,882
Interest paid	(26,960)	(39,792)
Interest element of hire purchase	(78,712)	(112,854)
Net cash outflow from returns on investments and servicing of finance	<u>(96,470)</u>	<u>(126,764)</u>

### **25. TAXATION**

	2009	2008
	£	£
Taxation	<u>(105,522)</u>	<u>(94,841)</u>

### **26. CAPITAL EXPENDITURE**

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(328,368)	(403,153)
Receipts from sale of fixed assets	24,500	13,000
Net cash outflow from capital expenditure	<u>(303,868)</u>	<u>(390,153)</u>

### **27. FINANCING**

	2009	2008
	£	£
Issue of equity share capital	—	200
Repayment of loan notes	(500,000)	(500,000)
Increase in/(repayment of) bank loans	180,998	(48,136)
Capital element of hire purchase	(222,947)	684,636
Net inflow from other long-term creditors	500,000	—
Net cash (outflow)/inflow from financing	<u>(41,949)</u>	<u>136,700</u>