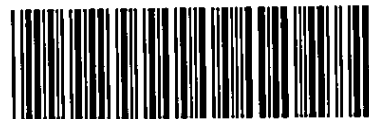


**Cornelius Specialties Limited**  
**(formerly CS (Haverhill) Limited)**  
Financial statements  
For the period ended 31 January 2007

Grant Thornton 

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COMPANIES HOUSE

**Company No. 05758693**

## Officers and professional advisers

<b>Company registration number</b>	05758693
<b>Registered office</b>	15C Rookwood Way HAVERHILL Suffolk CB9 8PB
<b>Directors</b>	Mr J M Bilney Dr N D Prior
<b>Secretary</b>	J M Prior
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors Crown House Crown Street IPSWICH Suffolk IP1 3HS

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## Report of the directors

The directors present their report and the financial statements of the company for the period ended 31 January 2007

### Principal activities

The company was incorporated on 28 March 2006

The principal activity of the company during the year was the supply of high quality chemicals

### The directors and their interests in the shares of the company

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At	At
	31 January 2007	incorporation or later date of appointment
Mr J M Bilney	17,648	1
Dr N D Prior	-	-

Mr J M Bilney was appointed as a director on 28 March 2006

Dr N D Prior was appointed as a director on 9 January 2007

The directors' interests in the ultimate parent undertaking are disclosed in the Cornelius Group plc financial statements

### Directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

**Auditor**

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



J M Prior  
Secretary

Date 6-6-07

Grant Thornton 

## Report of the independent auditor to the members of Cornelius Specialties Limited (formerly CS (Haverhill) Limited)

We have audited the financial statements of Cornelius Specialties Limited (formerly CS (Haverhill) Limited) for the period ended 31 January 2007 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors 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 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 company's circumstances, consistently applied and adequately disclosed.

## Report of the independent auditor to the members of Cornelius Specialties Limited (formerly CS (Haverhill) Limited) (continued)

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 company's affairs as at 31 January 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

IPSWICH

.. 7 June 2007

## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

### **Fixed assets**

All fixed assets are initially recorded at cost

### **Depreciation**

No depreciation has been charged to the profit and loss account for the period, since the assets were not in use during the year and no economic benefit consumed

### **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

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date



### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	Period to 31 Jan 2007 £
Turnover		—
Other operating charges	1	105,258
<b>Loss on ordinary activities before taxation</b>		<u>(105,258)</u>
Tax on loss on ordinary activities	4	—
<b>Loss for the financial period</b>	11	<u>(105,258)</u>

All of the activities of the company are classed as continuing

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

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

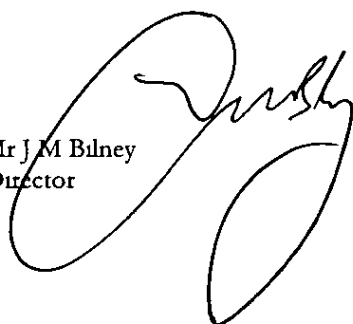
	Note	2007 £
<b>Fixed assets</b>		
Tangible assets	5	<u>6,310</u>
<b>Current assets</b>		
Debtors	6	<u>87,027</u>
<b>Total assets</b>		<u><u>93,337</u></u>
<b>Capital and reserves</b>		
Called-up equity share capital	9	117,648
Share premium account	10	80,947
Profit and loss account		<u>(105,258)</u>
<b>Shareholders' funds</b>	12	<u><u>93,337</u></u>

These financial statements were approved by the directors on behalf by

6/6/07

and are signed on their

Mr J M Bilney  
 Director



**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### **1 Other operating charges**

	2007 £
Administrative expenses	<u>105,258</u>

### **2 Operating loss**

Operating loss is stated after charging

	2007 £
Directors' emoluments	-
Operating lease costs	
Plant and equipment	19,275
Other	<u>35,526</u>

Auditors remuneration of £1,200 has been paid by Cornelius Group Plc

### **3 Particulars of employees**

No salaries or wages have been paid to employees, including the directors, during the period

### **4 Taxation on ordinary activities**

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30%

	2007 £
Loss on ordinary activities before taxation	<u>(105,258)</u>
Loss on ordinary activities by rate of tax	(31,577)
Expenses not deductible for tax purposes	3,885
Unrelieved tax losses	<u>27,692</u>
Total current tax	<u>-</u>

**5 Tangible fixed assets**

	Plant & Machinery £
Cost	
Additions	6,310
At 31 January 2007	<u>6,310</u>
Depreciation	
At 1 February 2006 and 31 January 2007	<u>—</u>
Net book value	
At 31 January 2007	<u>6,310</u>

**6 Debtors**

	2007 £
Amounts owed by group undertakings	58,218
Other debtors	18,954
Prepayments and accrued income	9,855
	<u>87,027</u>

**7 Commitments under operating leases**

At 31 January 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007	
	Land & Buildings £	Other Items £
Operating leases which expire		
After more than 5 years	<u>54,114</u>	<u>38,781</u>

The parent company Cornelius Group Plc has guaranteed to pay the above commitments in the event Cornelius Specialties Ltd is unable to do so

**8 Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under FRS8

**9 Share capital**

Authorised share capital.

	2007 £
200,000 Ordinary shares of £1 each	<u>200,000</u>

Allotted, called up and fully paid

	No	£
Ordinary shares of £1 each	<u>117,648</u>	<u>117,648</u>

During the period the company issued 117,648 ordinary £1 shares. The difference between the total consideration of £200,000 and the total nominal value of £117,648 has been credited to the share premium account.

**10 Share premium account**

	2007 £
Premium on shares issued in the period	82,352
Share issue expenses	<u>(1,405)</u>
Balance carried forward	<u>80,947</u>

**11 Profit and loss account**

	2007 £
Loss for the financial period	(105,258)
Balance carried forward	<u>(105,258)</u>

**12 Reconciliation of movements in shareholders' funds**

	2007 £
Loss for the financial period	(105,258)
New equity share capital subscribed	117,648
Net premium on new share capital subscribed	80,947
Net addition to shareholders' funds	<u>93,337</u>
Closing shareholders' funds	<u>93,337</u>

**13 Post balance sheet events**

On the 1 February 2007, the assets and trade of the Cornelius Specialties division of the company's parent, Cornelius Group Plc, were transferred into Cornelius Specialties Limited (formerly CS (Haverhill) Limited). Fixed assets with a net book value of £137,492 and stock of £126,646 were transferred.

**14 Ultimate parent company**

The ultimate controlling related party is Cornelius Group plc by virtue of its 85% holding in Cornelius Specialties Limited (formerly CS (Haverhill) Limited)

The largest group of undertakings for which group accounts have been drawn up is that headed by Cornelius Group Plc. Copies of the group accounts can be obtained at Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ