

COMPANY REGISTRATION NUMBER 1052410

APOLLO CHEMICALS LIMITED
FINANCIAL STATEMENTS
30 APRIL 2015

RONALD SHAW & CO

Chartered Accountants & Statutory Auditor

Ashford House
95 Dixons Green
Dudley
West Midlands

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APOLLO CHEMICALS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2015

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APOLLO CHEMICALS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mrs G. Saunders
Mr J.H. Saunders
Mr I.J. Cornelius

Company secretary

Mrs C. Saunders

Registered office

Ashford House
95 Dixons Green
Dudley
West Midlands

Auditor

Ronald Shaw & Co
Chartered Accountants
& Statutory Auditor
Ashford House
95 Dixons Green
Dudley
West Midlands

Bankers

Svenska Handelsbanken AB(publ)
Bitterscote House
Bonehill Road
Tamworth
B78 3HQ

Solicitors

Waldrons Solicitors
Wychbury Court
Two Woods Lane
Brierley Hill
West Midlands

APOLLO CHEMICALS LIMITED

STRATEGIC REPORT

YEAR ENDED 30 APRIL 2015

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 30th April 2015.

RESULTS

The profit for the year, after taxation amounted to £1,054,336 (2014 £367,323).

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company during the year consisted of manufacturing of a broad range of adhesives, sealants and coatings, suitable to serve and support all markets. There has been significant change in this activity during the year.

	2015	2014
	£	£
Turnover from continuing operations	21,128,736	19,797,865
Operating profit	1,251,672	468,871
Working capital	37,888,870	4,381,142

Operating profit as percentage of turnover is 8.28% (2014 2.37%)

Turnover has increased due to increase in sales volumes. Operating profit as a percentage of turnover has remained static. Working capital requirements have also reduced, as a result of more cash being collected and lower stock levels. Working capital comprises of stocks and external trade debtors net of external creditors.

The directors aim to continue to maintain the management policies which have resulted in strong financial performance in recent years. They consider that 2016 will be challenging, but believe they can maintain the current levels of performance by focusing on the quality of service, and product development.

The directors consider the state of affairs of the company to be very satisfactory for the period and the outlook for the business to be extremely favourable.

RISK AND UNCERTAINTIES

Credit, Liquidity and Cash Flow

The company has a sizeable customer base and does not rely on any one of its customers. Accordingly, it has minimal exposure to a bad debt affecting its liquidity, cash flow or future prospects.

The company has policies in place that require appropriate credit checks on potential customers before sales are made. These credit checks are periodically updated using a specialist credit rating agency.

The company has sufficient cash balance and overdraft facility and do not consider that it has any significant to liquidity issues:

APOLLO CHEMICALS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 APRIL 2015

Signed by order of the directors



Mrs C. Saunders
Company Secretary

Approved by the directors on 14 January 2016

APOLLO CHEMICALS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2015

The directors present their report and the financial statements of the company for the year ended 30 April 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,054,336. The directors have not recommended a dividend.

RESEARCH AND DEVELOPMENT

The company undertakes research and development activities, involving new product invention and new production service functions.

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 R.F. Saunders passed away on 2 June 2014.

Mr I.J. Cornelius was appointed as a director on 1 September 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APOLLO CHEMICALS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2015

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DONATIONS

During the year the company made charitable donations of £2,400 (2014 £1,503).

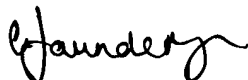
AUDITOR

Ronald Shaw & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



Mrs C. Saunders
Company Secretary

Approved by the directors on 14 January 2016

APOLLO CHEMICALS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
APOLLO CHEMICALS LIMITED
YEAR ENDED 30 APRIL 2015

We have audited the financial statements of Apollo Chemicals Limited for the year ended 30 April 2015 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

YEAR ENDED 30 APRIL 2015

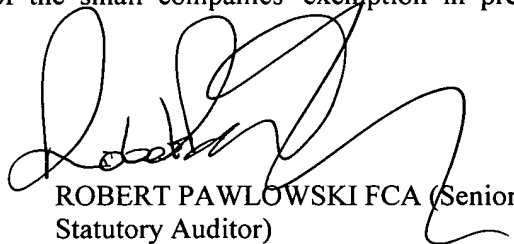
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.


ROBERT PAWLOWSKI FCA (Senior
Statutory Auditor)
For and on behalf of
RONALD SHAW & CO
Chartered Accountants
& Statutory Auditor

Ashford House
95 Dixons Green
Dudley
West Midlands

Our audit was completed on 15 January 2016 and our opinion was expressed at that date.

APOLLO CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
TURNOVER	2	21,128,736	19,797,865
Change in stocks of finished goods		<u>44,672</u>	<u>95,642</u>
		21,173,408	19,893,507
Raw materials and consumables		12,043,556	11,267,552
Other external charges		516,502	329,990
Staff costs	3	4,155,144	5,010,924
Depreciation written off fixed assets	4	333,352	218,152
Other operating charges		<u>2,873,182</u>	<u>2,598,018</u>
OPERATING PROFIT	4	1,251,672	468,871
Interest receivable		3	26
Interest payable and similar charges	6	(2,870)	(8,796)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,248,805</u>	<u>460,101</u>
Tax on profit on ordinary activities	7	194,469	92,778
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,054,336</u></u>	<u><u>367,323</u></u>

The notes on pages 11 to 22 form part of these financial statements.

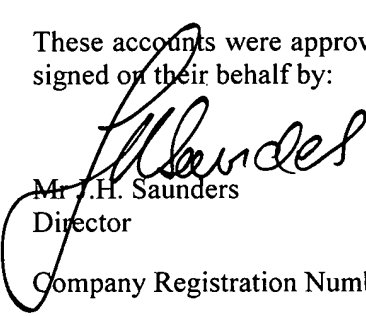
APOLLO CHEMICALS LIMITED

BALANCE SHEET

30 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	<u>3,363,211</u>	<u>1,685,590</u>
CURRENT ASSETS			
Stocks	9	2,169,053	2,189,777
Debtors	10	5,509,038	4,470,067
Cash at bank		<u>2,197,047</u>	<u>1,135,256</u>
		9,875,138	7,795,100
CREDITORS: Amounts falling due within one year	11	<u>6,884,202</u>	<u>5,597,357</u>
NET CURRENT ASSETS		<u>2,990,936</u>	<u>2,197,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,354,147</u>	<u>3,883,333</u>
CREDITORS: Amounts falling due after more than one year	12	1,400,000	12,154
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	<u>46,812</u>	<u>18,180</u>
		<u>4,907,335</u>	<u>3,852,999</u>
CAPITAL AND RESERVES			
Called up equity share capital	18	1,405	1,405
Share premium account	19	139	139
Revaluation reserve	19	613,146	613,146
Other reserves	19	667	667
Profit and loss account	19	4,291,978	3,237,642
SHAREHOLDERS' FUNDS	19	<u>4,907,335</u>	<u>3,852,999</u>

These accounts were approved by the directors and authorised for issue on 14 January 2016, and are signed on their behalf by:


Mr J.H. Saunders
Director

Company Registration Number: 1052410

The notes on pages 11 to 22 form part of these financial statements.

APOLLO CHEMICALS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2015

		2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	Note 20	1,711,890	1,558,066
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	(2,867)	(8,770)
TAXATION	22	(78,319)	(143,989)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23	(2,010,973)	(406,073)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(380,269)	999,234
FINANCING	24	1,442,060	(449,065)
INCREASE IN CASH	25	<u>1,061,791</u>	<u>550,169</u>

The notes on pages 11 to 22 form part of these financial statements.

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared in accordance with applicable accounting standards.

Turnover

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

Research and development

Research and development expenditure is written off in the year in which it is incurred.

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 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Liquid resources

Liquid resources comprise deposits held by recognised banks and building societies.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	19,713,361	17,870,524
Rest of Europe	1,034,097	1,647,170
Rest of the World	381,278	280,171
	<u>21,128,736</u>	<u>19,797,865</u>

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

3. PARTICULARS OF EMPLOYEES

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

	2015	2014
	No	No
Number of production staff	61	59
Number of administrative staff	19	17
Number of management staff	1	1
Number of sales and technical staff	18	19
	<u>99</u>	<u>96</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	3,689,213	3,232,575
Social security costs	379,574	392,597
Other pension costs	86,357	79,221
Additional contribution in EFRBS scheme	—	1,306,531
	<u>4,155,144</u>	<u>5,010,924</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of owned fixed assets	304,839	207,019
Depreciation of assets held under hire purchase agreements	28,513	47,133
Profit on disposal of fixed assets	—	(36,000)
Auditor's remuneration		
- as auditor	<u>12,000</u>	<u>12,000</u>

5. DIRECTORS' REMUNERATION

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

	2015	2014
	£	£
Remuneration receivable	<u>316,380</u>	<u>1,384,457</u>

Remuneration of highest paid director:

	2015	2014
	£	£
Total remuneration (excluding pension contributions)	<u>316,380</u>	<u>1,367,871</u>

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

5. DIRECTORS' REMUNERATION *(continued)*

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

	2015	2014
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable on bank borrowing	–	1,107
Finance charges	<u>2,870</u>	<u>7,689</u>
	<u>2,870</u>	<u>8,796</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.92% (2014 - 22.52%)	165,841	78,323
Over/under provision in prior year	<u>(4)</u>	<u>(3,725)</u>
Total current tax	165,837	74,598
Deferred tax:		
Origination and reversal of timing differences (note 13)		
Capital allowances	<u>28,632</u>	<u>18,180</u>
Tax on profit on ordinary activities	<u>194,469</u>	<u>92,778</u>

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

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 lower than the standard rate of corporation tax in the UK of 20.92% (2014 - 22.52%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,248,805</u>	<u>460,101</u>
Profit on ordinary activities by rate of tax	261,250	103,615
Expenses not deductible for tax purposes	6,009	8,505
Capital allowances for period in excess of depreciation	(101,401)	(33,815)
Adjustments to tax charge in respect of previous periods	-	(3,725)
Rounding on tax charge	(21)	.18
Total current tax (note 7(a))	<u>165,837</u>	<u>74,598</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 to Nil.

8. TANGIBLE ASSETS

	Freehold Property £	Leasehold Property £	Plant & Equipment £	Office Equipment £	Motor Vehicles £	Total £
COST OR VALUATION						
At 1 May 2014	418,671	979,976	3,663,959	543,839	141,093	5,747,538
Additions	-	1,571,349	377,853	-	61,771	2,010,973
At 30 Apr 2015	<u>418,671</u>	<u>2,551,325</u>	<u>4,041,812</u>	<u>543,839</u>	<u>202,864</u>	<u>7,758,511</u>
DEPRECIATION						
At 1 May 2014	62,807	201,906	3,241,674	447,257	108,304	4,061,948
Charge for the year	4,187	8,416	261,640	31,070	28,039	333,352
At 30 Apr 2015	<u>66,994</u>	<u>210,322</u>	<u>3,503,314</u>	<u>478,327</u>	<u>136,343</u>	<u>4,395,300</u>
NET BOOK VALUE						
At 30 Apr 2015	<u>351,677</u>	<u>2,341,003</u>	<u>538,498</u>	<u>65,512</u>	<u>66,521</u>	<u>3,363,211</u>
At 30 Apr 2014	<u>355,864</u>	<u>778,070</u>	<u>422,285</u>	<u>96,582</u>	<u>32,789</u>	<u>1,685,590</u>

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

8. TANGIBLE ASSETS *(continued)*

	2015 £	2014
COST OR VALUATION		
Freehold	418,671	418,671
Long leasehold	2,529,034	957,685
Short leasehold	22,291	22,291
	<u>2,969,996</u>	<u>1,398,647</u>
	2015 £	2014 £
DEPRECIATION		
Freehold	66,994	62,807
Long leasehold	201,224	193,172
Short leasehold	9,098	8,734
	<u>277,316</u>	<u>264,713</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.

During the year the company acquired a further long leasehold property at Silica Road, Tamworth. No amortisation has been charged for the current year. The lease is for a term 125 years expiring in 2099.

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.

Particulars relating to revalued assets are given below:-

Freehold and long leasehold land and buildings

The land and buildings were revalued as at 30th April 1990, by Slater Donn, Surveyors, on the basis of open market value. The historical cost of revalued assets £763,210 (2014 £763,210).

A subsequent valuation in May 2014 by Scanlans, Consultant Surveyors LLP valued the freehold and long leasehold buildings at £1,100,000 on the basis of open market value.

The directors do not feel a revaluation on the accounts was necessary.

Other tangible fixed assets including subsequent additions to land and buildings are included at cost.

Hire purchase agreements

Included within the net book value of £3,363,211 is £42,022 (2014 - £70,515) 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 £28,513 (2014 - £47,133).

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

9. STOCKS

	2015 £	2014 £
Raw materials	1,405,855	1,471,251
Finished goods	763,198	718,526
	<u>2,169,053</u>	<u>2,189,777</u>

10. DEBTORS

	2015 £	2014 £
Trade debtors	4,117,262	4,354,394
Amounts due from associated company - Apollo Roofing Solutions Limited	1,179,077	15,045
Amounts due from fellow subsidiary - Raleigh Adhesive Coatings Limited	139,745	—
Prepayments and accrued income	72,954	100,628
	<u>5,509,038</u>	<u>4,470,067</u>

11. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Bank loans	100,000	—
Trade creditors	2,497,445	2,163,029
Amounts due to group companies	73,807	75,108
Corporation tax	165,841	78,323
PAYE and social security	148,794	74,061
VAT	458,360	488,215
Hire purchase agreements	13,448	59,234
Other creditors	823,556	581,732
Directors current accounts	1,668,679	1,812,243
Accruals and deferred income	934,272	265,412
	<u>6,884,202</u>	<u>5,597,357</u>

The nature of the security in respect of bank borrowing is shown in note 12.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015 £	2014 £
Bank loans	<u>100,000</u>	<u>—</u>

The loans in respect of the hire purchase agreements are secured against the assets to which they relate.

APOLLO CHEMICALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2015

12. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans and overdrafts	1,400,000	–
Hire purchase agreements	–	12,154
	<u>1,400,000</u>	<u>12,154</u>

The bank borrowing is secured by the following:-

- (a) Debenture on Bank's Standard Form dated 21st November 2014
- (b) Cross Guarantee dated 21st November 2014 between Apollo Chemicals Group Limited, Apollo Chemicals Limited and Raleigh Adhesive Coatings Limited
- (c) Legal charge dated 21st November 2014 over Plots 9 and 11 (now known as Apollo Chemicals Limited) Sandy way, Amington Industrial Estate, Tamworth.
- (d) Legal charge dated 2nd March 2015 over Plots 20 and 20A Amington Industrial Estate, Silica Road, Tamworth.

The loans in respect of the hire purchase agreements are secured against the assets to which they relate.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2015 £	2014 £
Bank loans and overdrafts	<u>1,000,000</u>	<u>–</u>

13. DEFERRED TAXATION

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

	2015 £	2014 £
Provision brought forward	18,180	–
Profit and loss account movement arising during the year	28,632	18,180
Provision carried forward	<u>46,812</u>	<u>18,180</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of taxation allowances over depreciation on fixed assets	46,812	18,180
	<u>46,812</u>	<u>18,180</u>

APOLLO CHEMICALS LIMITED
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14. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2015 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2015 £	2014 £
Operating leases which expire:		
Within 2 to 5 years	188,778	166,548
After more than 5 years	16,750	122,748
	<u>205,528</u>	<u>289,296</u>

15. CONTINGENCIES

The company has given an unlimited guarantee to its fellow subsidiary company Raleigh Adhesive Coatings Limited. In the opinion of the directors no liability will arise under this guarantee.

16. TRANSACTIONS WITH THE DIRECTORS

The directors made loans to the company during the year. The loans are interest free. The balance outstanding as at 30th April 2015 was as follows:-

J.H. Saunders £1,668,679 (2014 £1,812,243)

17. RELATED PARTY TRANSACTIONS

Transactions with fellow subsidiary undertakings during the year were conducted in the normal course of business:-

	2015 £	2014 £
J.H. SAUNDERS		
Sales and management charges to Raleigh Adhesive Coatings Ltd	7,394	16,252
Balance - Amounts due from Raleigh Adhesive Coatings Ltd	139,745	-
Balance - Amounts due to Apollo Chemicals Group Ltd	73,807	73,807
Balance - Amounts due to Raleigh Adhesive Coatings Ltd	-	1,301
J.H. SAUNDERS OTHER INTERESTS		
Balance - Amounts due from Apollo Roofing Solutions Ltd	1,179,077	15,045
Sales and recharges to Apollo Roofings Solutions Ltd	2,386,376	-

J.H. Saunders, family and pension scheme own 2 units which the company rent at market value. The amount paid by the company during the year was £67,500 (2014 £67,500).

APOLLO CHEMICALS LIMITED
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18. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	1,334	1,334	1,334	1,334
Ordinary "B" shares of £1 each	71	71	71	71
	<u>1,405</u>	<u>1,405</u>	<u>1,405</u>	<u>1,405</u>

19. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total share- holders' funds £
Balance brought forward	1,405	139	613,146	667	3,237,642	3,852,999
Profit for the year	—	—	—	—	1,054,336	1,054,336
Balance carried forward	<u>1,405</u>	<u>139</u>	<u>613,146</u>	<u>667</u>	<u>4,291,978</u>	<u>4,907,335</u>

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	1,251,672	468,871
Depreciation	333,352	254,152
Profit on disposal of fixed assets	—	(36,000)
Decrease in stocks	20,724	67,753
(Increase)/decrease in debtors	(1,038,971)	194,695
Increase in creditors	1,145,113	608,595
Net cash inflow from operating activities	<u>1,711,890</u>	<u>1,558,066</u>

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	3	26
Interest paid	—	(1,107)
Interest element of hire purchase	(2,870)	(7,689)
Net cash outflow from returns on investments and servicing of finance	<u>(2,867)</u>	<u>(8,770)</u>

APOLLO CHEMICALS LIMITED
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22. TAXATION

	2015 £	2014 £
Taxation	<u>(78,319)</u>	<u>(143,989)</u>

23. CAPITAL EXPENDITURE

	2015 £	2014 £
Payments to acquire tangible fixed assets	(2,010,973)	(442,073)
Receipts from sale of fixed assets	—	36,000
Net cash outflow from capital expenditure	<u>(2,010,973)</u>	<u>(406,073)</u>

24. FINANCING

	2015 £	2014 £
Increase in/(repayment of) bank loans	1,500,000	(360,960)
Capital element of hire purchase	(57,940)	(88,105)
Net cash inflow/(outflow) from financing	<u>1,442,060</u>	<u>(449,065)</u>

25. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015 £	2014 £
Increase in cash in the period	1,061,791	550,169
Net cash (inflow) from/outflow from bank loans	(1,500,000)	360,960
Cash outflow in respect of hire purchase	<u>57,940</u>	<u>88,105</u>
	(380,269)	999,234
Change in net funds	(380,269)	999,234
Net funds at 1 May 2014	<u>1,063,868</u>	64,634
Net funds at 30 April 2015	<u>683,599</u>	<u>1,063,868</u>

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26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2014 £	Cash flows £	At 30 Apr 2015 £
Cash in hand and at bank	1,135,256	1,061,791	2,197,047
Debt due within 1 year	–	(100,000)	(100,000)
Debt due after 1 year	–	(1,400,000)	(1,400,000)
Hire purchase agreements	(71,388)	57,940	(13,448)
Net funds	<u>1,063,868</u>	<u>(380,269)</u>	<u>683,599</u>

27. ULTIMATE PARENT COMPANY

The company's ultimate holding company is Apollo Chemicals Group Limited, a company registered in England and Wales.