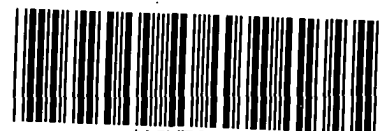


**Apollo Chemicals Limited**  
**Financial Statements**  
**30 April 2016**

**RONALD SHAW & CO**  
Chartered accountant & statutory auditor  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

TUESDAY



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# **Apollo Chemicals Limited**

## **Financial Statements**

**Year ended 30 April 2016**

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**Apollo Chemicals Limited**  
**Officers and Professional Advisers**

---

**The board of directors**

Mr J.H. Saunders  
Mrs G. 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 accountant & 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  
Capstan House  
The Waterfront  
Merry Hill  
West Midlands  
DY5 1XL

# Apollo Chemicals Limited

## Strategic Report

Year ended 30 April 2016

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### Strategic report

The directors present their Strategic Report for the year ended 30th April 2016.

### Results

The profit for the year, after taxation amounted to £1,026,218 (2015 £1,054,336).

### Principal activities, review of the business and future development

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.

|                                     | 2016       | 2015       |
|-------------------------------------|------------|------------|
|                                     | £          | £          |
| Turnover from continuing operations | 21,416,892 | 21,128,736 |
| Operating profit                    | 1,301,992  | 1,251,672  |
| Working capital                     | 3,888,689  | 3,788,870  |

Turnover has remained constant. Operating profit as a percentage of turnover has remained static. Working capital requirements have also reduced, as a result of improved cash collection. Working capital comprises of stocks and external trade debtors net of external creditors.

The directors continue to focus on its vision and maintain the management policies which have resulted in strong financial performance in recent years. Also by continuing to add value across the supply chain, which is communicated via their brand promise 'more than adhesives' they consider that the challenging year ahead in 2017, can maintain their current levels of performance, quality of service, and product development through smart investment in people and facilities.

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.

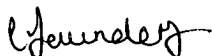
# **Apollo Chemicals Limited**

## **Strategic Report** *(continued)*

**Year ended 30 April 2016**

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This report was approved by the board of directors on 12 January 2017 and signed on behalf of the board by:



Mrs C. Saunders  
Company Secretary

# Apollo Chemicals Limited

## Directors' Report *(continued)*

Year ended 30 April 2016

---

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.

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.

### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

This report was approved by the board of directors on 12 January 2017 and signed on behalf of the board by:



Mrs C. Saunders  
Company Secretary

# **Apollo Chemicals Limited**

## **Independent Auditor's Report to the Members of Apollo Chemicals Limited**

**Year ended 30 April 2016**

---

I have audited the financial statements of Apollo Chemicals Limited for the year ended 30 April 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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 me 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, I read all the financial and non-financial information in the strategic report and the directors' 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In my opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Apollo Chemicals Limited

## Independent Auditor's Report to the Members of Apollo Chemicals Limited (continued)

Year ended 30 April 2016

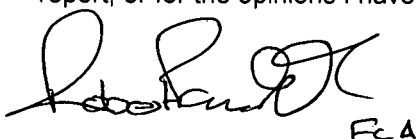
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### Matters on which i am required to report by exception

I 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 the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- I have not received all the information and explanations I require for our audit.

This report is made solely to the company shareholders, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the company's shareholders those matters I am required to state to them, in an auditors report, and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for my audit work for this report, or for the opinions I have formed.

  
FCA

Robert Pawlowski FCA  
Ronald Shaw & Co  
Chartered accountant & statutory auditor.  
Ashford House  
95 Dixons Green  
Dudley  
West Midlands

13 January 2017

**Apollo Chemicals Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 30 April 2016**

|   | Note      | 2016<br>£         | 2015<br>£     |
|---|-----------|-------------------|---------------|
| <b>Turnover</b>   | <b>4</b>  | <b>21,416,892</b> | 21,128,736    |
| Change in stocks of finished goods and in work in progress                      |           | <u>615,874</u>    | <u>44,672</u> |
|   |           | <b>22,032,766</b> | 21,173,408    |
| Raw material and consumables  |           | <b>11,957,137</b> | 12,043,556    |
| Other external charges  |           | <b>537,606</b>    | 498,859       |
| Staff costs   | <b>7</b>  | <b>4,602,023</b>  | 4,155,144     |
| Depreciation and other amounts written off tangible and intangible fixed assets |           | <b>387,256</b>    | 333,352       |
| Other operating charges   |           | <b>3,246,752</b>  | 2,890,825     |
| <b>Operating profit</b>   | <b>5</b>  | <b>1,301,992</b>  | 1,251,672     |
| Other interest receivable and similar income                                    |           | <b>6,771</b>      | 3             |
| Interest payable and similar charges  | <b>9</b>  | <b>48,433</b>     | 2,870         |
| <b>Profit on ordinary activities before taxation</b>                            |           | <b>1,260,330</b>  | 1,248,805     |
| Tax on profit on ordinary activities  | <b>10</b> | <b>234,112</b>    | 194,469       |
| <b>Profit for the financial year and total comprehensive income</b>             |           | <b>1,026,218</b>  | 1,054,336     |
| <b>Retained earnings at the start of the year</b>                               |           | <b>4,291,978</b>  | 3,237,642     |
| <b>Retained earnings at the end of the year</b>                                 |           | <b>5,318,196</b>  | 4,291,978     |

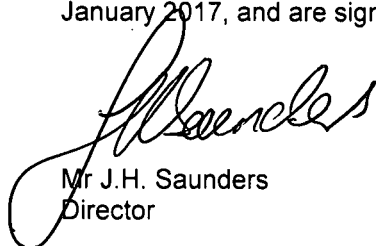
All the activities of the company are from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

**Apollo Chemicals Limited**  
**Statement of Financial Position**  
**30 April 2016**

|  | Note | 2016<br>£         | 2015<br>£        |
|--|------|-------------------|------------------|
| <b>Fixed assets</b>  |      |                   |                  |
| Tangible assets  | 11   | 3,164,229         | 3,363,211        |
| <b>Current assets</b>  |      |                   |                  |
| Stocks   | 12   | 2,325,906         | 2,169,053        |
| Debtors  | 13   | 5,580,304         | 5,509,038        |
| Cash at bank and in hand                                       |      | 2,978,525         | 2,197,047        |
|  |      | <u>10,884,735</u> | <u>9,875,138</u> |
| <b>Creditors: amounts falling due within one year</b>          | 14   | <u>6,788,459</u>  | <u>6,884,202</u> |
| <b>Net current assets</b>                                      |      | <u>4,096,276</u>  | <u>2,990,936</u> |
| <b>Total assets less current liabilities</b>                   |      | <u>7,260,505</u>  | <u>6,354,147</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 15   | 1,300,000         | 1,400,000        |
| <b>Provisions</b>  |      |                   |                  |
| Taxation including deferred tax                                | 17   | 26,952            | 46,812           |
| <b>Net assets</b>  |      | <u>5,933,553</u>  | <u>4,907,335</u> |
| <b>Capital and reserves</b>                                    |      |                   |                  |
| Called up share capital  | 21   | 1,405             | 1,405            |
| Share premium account  | 22   | 139               | 139              |
| Revaluation reserve  | 22   | 613,146           | 613,146          |
| Capital redemption reserve                                     | 22   | 667               | 667              |
| Profit and loss account  | 22   | 5,318,196         | 4,291,978        |
| <b>Members funds</b>   |      | <u>5,933,553</u>  | <u>4,907,335</u> |

These financial statements were approved by the board of directors and authorised for issue on 12 January 2017, and are signed on behalf of the board by:



Mr J.H. Saunders  
Director

Company registration number: 1052410

The notes on pages 11 to 21 form part of these financial statements.

# Apollo Chemicals Limited

## Statement of Cash Flows

Year ended 30 April 2016

|   | 2016<br>£ | 2015<br>£   |
|---|-----------|-------------|
| <b>Cash flows from operating activities</b>           |           |             |
| Profit for the financial year                         | 1,026,218 | 1,054,336   |
| <i>Adjustments for:</i>                               |           |             |
| Depreciation of tangible assets                       | 387,256   | 333,352     |
| Other interest receivable and similar income          | (6,771)   | (3)         |
| Interest payable and similar charges                  | 48,433    | 2,870       |
| Tax on profit on ordinary activities                  | 234,112   | 194,469     |
| Accrued (income)/expenses                             | (711,014) | 668,860     |
| <i>Changes in:</i>                                    |           |             |
| Stocks  | (156,853) | 20,724      |
| Trade and other debtors                               | (71,266)  | (1,038,971) |
| Trade and other creditors                             | 899,746   | 621,118     |
| Cash generated from operations                        | 1,649,861 | 1,856,755   |
| Interest paid   | (48,433)  | (2,870)     |
| Interest received                                     | 6,771     | 3           |
| Tax paid  | (165,836) | (78,319)    |
| Net cash from operating activities                    | 1,442,363 | 1,775,569   |
| <b>Cash flows from investing activities</b>           |           |             |
| Purchase of tangible assets                           | (188,274) | (2,010,973) |
| Net cash used in investing activities                 | (188,274) | (2,010,973) |
| <b>Cash flows from financing activities</b>           |           |             |
| Proceeds from borrowings                              | (417,921) | 1,356,436   |
| Proceeds from loans from group undertakings           | (50,000)  | 73,807      |
| Proceeds from loans from participating interests      | 8,758     | —           |
| Payments of finance lease liabilities                 | (13,448)  | (57,940)    |
| Net cash (used in)/from financing activities          | (472,611) | 1,372,303   |
| <b>Net increase in cash and cash equivalents</b>      | 781,478   | 1,136,899   |
| <b>Cash and cash equivalents at beginning of year</b> | 2,197,047 | 1,135,256   |
| <b>Cash and cash equivalents at end of year</b>       | 2,978,525 | 2,272,155   |

The notes on pages 11 to 21 form part of these financial statements.

**Apollo Chemicals Limited**  
**Notes to the Financial Statements**  
**Year ended 30 April 2016**

---

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ashford House, 95 Dixons Green, Dudley, West Midlands.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

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

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 May 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**Income tax**

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.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

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### 3. Accounting policies *(continued)*

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its 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.

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### 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.

#### Defined contribution plans

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.

### 4. Turnover

Turnover arises from:

|               | 2016<br>£         | 2015<br>£         |
|---------------|-------------------|-------------------|
| Sale of goods | <u>21,416,892</u> | <u>21,128,736</u> |

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

|                   | 2016<br>£         | 2015<br>£         |
|-------------------|-------------------|-------------------|
| United Kingdom    | 19,997,732        | 19,713,361        |
| Rest of Europe    | 989,337           | 1,034,097         |
| Rest of the World | <u>429,823</u>    | <u>381,278</u>    |
|                   | <u>21,416,892</u> | <u>21,128,736</u> |

### 5. Operating profit

Operating profit or loss is stated after charging:

|                             | 2016<br>£      | 2015<br>£      |
|-----------------------------|----------------|----------------|
| Impairment of trade debtors | (1,017)        | 11,338         |
| Operating lease rentals     | <u>301,634</u> | <u>339,554</u> |

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 6. Auditor's remuneration

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | £             | £             |
| Fees payable for the audit of the financial statements                       | <u>12,000</u> | <u>12,000</u> |
| Fees payable to the company's auditor and its associates for other services: |               |               |
| Other non-audit services   | <u>17,700</u> | <u>17,700</u> |

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

|                                     | 2016       | 2015      |
|-------------------------------------|------------|-----------|
|                                     | No.        | No.       |
| Production staff                    | 74         | 61        |
| Administrative staff                | 22         | 19        |
| Management staff                    | 2          | 1         |
| Number of sales and technical staff | 18         | 18        |
|                                     | <u>116</u> | <u>99</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | 2016             | 2015             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 4,026,573        | 3,689,213        |
| Social security costs | 438,072          | 379,574          |
| Other pension costs   | 137,378          | 86,357           |
|                       | <u>4,602,023</u> | <u>4,155,144</u> |

### 8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | £              | £              |
| Remuneration  | 567,961        | 358,927        |
| Company contributions to defined contribution pension plans | 13,415         | —              |
|   | <u>581,376</u> | <u>358,927</u> |

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

|                            | 2016     | 2015     |
|----------------------------|----------|----------|
|                            | No.      | No.      |
| Defined contribution plans | <u>1</u> | <u>1</u> |

Remuneration of the highest paid director in respect of qualifying services:

|                        | 2016           | 2015           |
|------------------------|----------------|----------------|
|                        | £              | £              |
| Aggregate remuneration | <u>445,910</u> | <u>316,380</u> |

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 9. Interest payable and similar charges

|  | 2016<br>£     | 2015<br>£    |
|--|---------------|--------------|
| Interest on banks loans and overdrafts                                   | 48,211        | –            |
| Interest on obligations under finance leases and hire purchase contracts | 222           | 2,870        |
|  | <u>48,433</u> | <u>2,870</u> |

### 10. Tax on profit on ordinary activities

#### Major components of tax expense

|  | 2016<br>£      | 2015<br>£      |
|--|----------------|----------------|
| <b>Current tax:</b>                            |                |                |
| UK current tax expense                         | 253,977        | 165,841        |
| Adjustments in respect of prior periods        | (5)            | (4)            |
| Total current tax                              | <u>253,972</u> | <u>165,837</u> |
| <b>Deferred tax:</b>                           |                |                |
| Origination and reversal of timing differences | (19,860)       | 28,632         |
| <b>Tax on profit on ordinary activities</b>    | <u>234,112</u> | <u>194,469</u> |

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.92%).

|  | 2016<br>£      | 2015<br>£      |
|--|----------------|----------------|
| Profit on ordinary activities before taxation      | 1,260,330      | 1,248,805      |
| Profit on ordinary activities by rate of tax       | 252,066        | 261,250        |
| Effect of expenses not deductible for tax purposes | 49,376         | 6,009          |
| Effect of capital allowances and depreciation      | (67,325)       | (72,769)       |
| Rounding on tax charge                             | (5)            | (21)           |
| Tax on profit on ordinary activities               | <u>234,112</u> | <u>194,469</u> |

#### Factors that may affect future tax expense

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.

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 11. Tangible assets

|                        | Freehold<br>property<br>£ | Long<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|------------------------|---------------------------|------------------------------------|-----------------------------|-------------------------------|------------------------|------------------|
| <b>Cost</b>            |                           |                                    |                             |                               |                        |                  |
| At 1 May 2015          | 418,671                   | 2,551,325                          | 4,041,812                   | 543,839                       | 202,864                | <b>7,758,511</b> |
| Additions              | –                         | –                                  | 188,274                     | –                             | –                      | <b>188,274</b>   |
| <b>At 30 Apr 2016</b>  | <b>418,671</b>            | <b>2,551,325</b>                   | <b>4,230,086</b>            | <b>543,839</b>                | <b>202,864</b>         | <b>7,946,785</b> |
| <b>Depreciation</b>    |                           |                                    |                             |                               |                        |                  |
| At 1 May 2015          | 66,994                    | 210,322                            | 3,503,314                   | 478,327                       | 136,343                | <b>4,395,300</b> |
| Charge for the year    | 4,187                     | 27,122                             | 297,763                     | 30,145                        | 28,039                 | <b>387,256</b>   |
| <b>At 30 Apr 2016</b>  | <b>71,181</b>             | <b>237,444</b>                     | <b>3,801,077</b>            | <b>508,472</b>                | <b>164,382</b>         | <b>4,782,556</b> |
| <b>Carrying amount</b> |                           |                                    |                             |                               |                        |                  |
| <b>At 30 Apr 2016</b>  | <b>347,490</b>            | <b>2,313,881</b>                   | <b>429,009</b>              | <b>35,367</b>                 | <b>38,482</b>          | <b>3,164,229</b> |
| At 30 Apr 2015         | 351,677                   | 2,341,003                          | 538,498                     | 65,512                        | 66,521                 | 3,363,211        |

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 (2015 £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.

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 12. Stocks

|                                     | 2016<br>£        | 2015<br>£        |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 946,834          | 1,405,855        |
| Finished goods and goods for resale | 1,379,072        | 763,198          |
|                                     | <u>2,325,906</u> | <u>2,169,053</u> |

### 13. Debtors

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| Trade debtors  | 4,136,692        | 4,117,262        |
| Amounts owed by undertakings in which the company has a participating interest | 1,346,252        | 1,318,822        |
| Prepayments and accrued income   | 91,269           | 72,954           |
| Other debtors  | 6,091            | –                |
|  | <u>5,580,304</u> | <u>5,509,038</u> |

### 14. Creditors: amounts falling due within one year

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| Bank loans and overdrafts  | 100,000          | 100,000          |
| Trade creditors  | 2,573,909        | 2,497,445        |
| Amounts owed to group undertakings   | 23,807           | 73,807           |
| Amounts owed to undertakings in which the company has a participating interest | 8,758            | –                |
| Accruals and deferred income   | 223,258          | 934,272          |
| Corporation tax  | 253,977          | 165,841          |
| Social security and other taxes  | 652,963          | 607,154          |
| Obligations under finance leases and hire purchase contracts                   | –                | 13,448           |
| Director loan accounts   | 1,350,758        | 1,668,679        |
| HMRC assessment  | 602,473          | –                |
| Other creditors  | 998,556          | 823,556          |
|  | <u>6,788,459</u> | <u>6,884,202</u> |

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

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

### 15. Creditors: amounts falling due after more than one year

|                           | 2016<br>£        | 2015<br>£        |
|---------------------------|------------------|------------------|
| Bank loans and overdrafts | <u>1,300,000</u> | <u>1,400,000</u> |

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 15. Creditors: amounts falling due after more than one year *(continued)*

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.

There are liabilities disclosed in the above creditors falling due after more than one year that are due for repayment after more than five years from balance sheet date £90,000,000 (2015 £1,000,000).

### 16. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

|                       | 2016<br>£ | 2015<br>£ |
|-----------------------|-----------|-----------|
| Not later than 1 year | —         | 13,448    |

### 17. Provisions

|                          | Deferred tax<br>(note 18)<br>£ |
|--------------------------|--------------------------------|
| At 1 May 2015            | 46,812                         |
| Charge against provision | (19,860)                       |
| <b>At 30 April 2016</b>  | <b>26,952</b>                  |

### 18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

|                                  | 2016<br>£ | 2015<br>£ |
|----------------------------------|-----------|-----------|
| Included in provisions (note 17) | 26,952    | 46,812    |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | 2016<br>£ | 2015<br>£ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 26,952    | 46,812    |

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 19. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £137,378 (2015: £86,357).

### 20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| <b>Financial assets that are debt instruments measured at amortised cost</b> |                  |                  |
| Trade debtors  | 4,136,692        | 4,117,262        |
| Other debtors  | 1,443,612        | 1,391,776        |
| Cash at bank and in hand   | 2,978,525        | 2,197,047        |
|  | <u>8,558,829</u> | <u>7,706,085</u> |
| <b>Financial liabilities measured at amortised cost</b>                      |                  |                  |
| Trade creditors  | 2,573,909        | 2,497,445        |
| Other creditors  | 3,189,581        | 3,375,910        |
| Finance leases   | –                | 13,448           |
| Provisions   | 26,952           | 46,812           |
|  | <u>5,790,442</u> | <u>5,933,615</u> |

### 21. Called up share capital

#### Issued, called up and fully paid

|                                | 2016         |              | 2015         |              |
|--------------------------------|--------------|--------------|--------------|--------------|
|                                | 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> |

### 22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| Not later than 1 year                        | 296,309          | 301,634          |
| Later than 1 year and not later than 5 years | 459,000          | 459,000          |
| Later than 5 years                           | 573,750          | 573,750          |
|  | <u>1,329,059</u> | <u>1,334,384</u> |

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

### 24. 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.

### 25. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

|                  | 2016                         |   |                     |                          |
|------------------|------------------------------|---|---------------------|--------------------------|
|                  | Balance brought forward<br>£ | Advances/ (credits) to the directors<br>£ | Amounts repaid<br>£ | Balance outstanding<br>£ |
| Mr J.H. Saunders | <u>(1,668,679)</u>           | <u>642,921</u>                            | <u>(325,000)</u>    | <u>(1,350,758)</u>       |

|                  | 2015                         |   |                     |                          |
|------------------|------------------------------|---|---------------------|--------------------------|
|                  | Balance brought forward<br>£ | Advances/ (credits) to the directors<br>£ | Amounts repaid<br>£ | Balance outstanding<br>£ |
| Mr J.H. Saunders | <u>(1,812,243)</u>           | <u>393,564</u>                            | <u>(250,000)</u>    | <u>(1,668,679)</u>       |

### 26. Related party transactions

During the year the company entered into the following transactions with related parties:

|  | Transaction value |           | Balance owed by/(owed to) |                  |
|--|-------------------|-----------|---------------------------|------------------|
|  | 2016<br>£         | 2015<br>£ | 2016<br>£                 | 2015<br>£        |
| Sales and management charges to Raleigh Adhesive Coatings Limited              | 189               | 7,394     | –                         | –                |
| Amounts due from fellow subsidiary company - Raleigh Adhesive Coatings Limited | –                 | –         | –                         | 139,745          |
| Amounts due to associated company - Apollo Chemicals Group Limited             | –                 | –         | 23,807                    | 73,807           |
| Amounts due to fellow subsidiary - Raleigh Adhesive Coatings Limited           | –                 | –         | 8,758                     | –                |
| Sales and recharges to Apollo Roofing Solutions Limited                        | 3,045,593         | 2,386,376 | –                         | –                |
| Amounts due from associated company - Apollo Roofing Solutions Limited         | <u>–</u>          | <u>–</u>  | <u>1,346,252</u>          | <u>1,179,077</u> |

The above transactions with fellow subsidiary undertakings during the year were conducted in the normal course of business.

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 (2015 £67,500).

# Apollo Chemicals Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

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### **27. Controlling party**

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

### **28. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2014.

No transitional adjustments were required in equity or profit or loss for the year.