

COMPANY REGISTRATION NUMBER: 1052410

Apollo Chemicals Limited

Financial Statements

30 April 2022

Apollo Chemicals Limited

Financial Statements

Year ended 30 April 2022

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Apollo Chemicals Limited
Officers and Professional Advisers

The board of directors	Mr J.H. Saunders (Resigned 26 January 2022) Mr I.J. Cornelius (Resigned 26 July 2022) Mrs. H. Weiler (Appointed 26 January 2022) Mrs K.M. Savery (Appointed 26 July 2022)
Registered office	Ashford House 95 Dixons Green Dudley West Midlands DY2 7DJ
Auditor	Ronald Shaw & Co Chartered accountants & statutory auditor Ashford House 95 Dixons Green Dudley West Midlands DY2 7DJ
Bankers	Svenska Handelsbanken AB(publ) Bitterscote House Bonehill Road Tamworth B78 3HQ
Solicitors	Faegre Drinker Biddle & Reath LLP 7 Pilgrim Street London EC4V 6LB

Apollo Chemicals Limited

Strategic Report

Year ended 30 April 2022

Strategic report

The directors present their Strategic Report for the year ended 30th April 2022.

Principal activities, review of the business, future development and key performance indicators

The principal activity of the company is the manufacture and sale of adhesives, coatings and primers. The adhesives, coatings and primers are sold through both Apollo Chemicals Limited and private label brands; consistent with the Company's vision to be the unseen coating, adhesive and primer department for of its customers' businesses. There have been no significant changes in this activity during the period to 30th April 2022.

	2022	2021
	£	£
Turnover from continuing operations	35,021,688	30,833,390
Operating profit	4,772,405	4,640,517

The Company was acquired by H.B. Fuller Company on 26th January 2022. The change in ownership will enable Apollo to grow and prosper under a larger and well-respected organisation. In particular, it will allow Apollo to continue to expand its operations within the EU. It will also provide additional resource, technology and expertise, meaning that we can further enhance and expand our service and product offering to our customers. Being part of a global company also gives our customers further reassurance regarding continuity of supply from numerous manufacturing sites. The directors consider the state of affairs of the company to be very satisfactory for the period and the outlook of the business to be extremely favourable.

Risk and uncertainties

The global dislocation of supply chains, exacerbated more recently by the war in Ukraine, continues to present challenges to the organisation. As our customers struggle to procure components, this has led to unpredictable demand for our products and rising energy costs, shipping costs and material availability have seen costs rise to unprecedented levels. The Company has sought to counter these challenges by working closely with our customers and with increased stock holding, securing supply chains and implementing price increases to ensure it maintains growth and profitability. The Company has limited its exposure to price, credit, liquidity and cash flow risks by maintaining strong cash flow, insuring its debtors, and actively maintaining a pricing strategy consistent with the market dynamics. The company maintains committed to safety and remains its most important core value. It continues to hold ISO 14001 certification and ISO 9001 2015 standards as part of its quality management process.

Financial risk management objectives and policies

The Company finances its operations through retained profits and, where necessary to fund capital expenditure programmes, through hire purchase financing arrangements. The management's objectives are to: (a) retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due; and (b) match the repayment schedule of any external finance with the expected future cash flows expected to arise from the company's trading activities. As the company's surplus funds are primarily invested in sterling bank accounts, this limits exposure to price risk. The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are predominantly conducted in sterling. The Company now enters into FX hedging transactions via its parent company.

Covid-19

The Company did not use the Government's furlough scheme during this period. The Company continued to operate as a Covid secure site; testing staff members regularly, maintaining face coverings and social distancing in order to protect its employees and the wider business.

This report was approved by the board of directors on 17 October 2022 and signed on behalf of the board by:

Mrs K.M. Savery

Director

Apollo Chemicals Limited

Directors' Report

Year ended 30 April 2022

The directors present their report and the financial statements of the company for the year ended 30 April 2022 .

Directors

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

Mr I.J. Cornelius

Mrs. H. Weiler (Appointed 26 January 2022)

Mr J.H. Saunders (Resigned 26 January 2022)

Dividends

The directors do not recommend the payment of a dividend.

Research and development

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

Going concern

The company has a strong balance sheet, and the directors consider that the future prospects of the company are good.

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008. It has done so in respect of future developments and financial risk management objectives and policies.

Directors' responsibilities statement

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 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 judgments 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. 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 17 October 2022 and signed on behalf of the board by:

Mrs K.M. Savery

Director

Apollo Chemicals Limited

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

Year ended 30 April 2022

Opinion

We have audited the financial statements of Apollo Chemicals Limited (the 'company') for the year ended 30 April 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 the 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. 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. 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 auditors 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 my audit work for this report, or for the opinions we have formed.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards). We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to inquiry of the Officers. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

This report is made solely to the company's members, 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 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.

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

DY2 7DJ

18 October 2022

Apollo Chemicals Limited

Statement of Comprehensive Income

Year ended 30 April 2022

		2022	2021
	Note	£	£
Turnover	4	35,021,688	30,833,390
Change in stocks of finished goods and in work in progress		72,840	(20,579)
Other operating income	5	53,762	—
		35,148,290	30,812,811
Raw material and consumables		20,255,320	16,847,452
Other external charges		578,993	416,160
Staff costs	8	4,578,344	5,463,245
Depreciation and other amounts written off tangible and intangible fixed assets		371,901	390,068
Other operating expenses		4,591,327	3,055,369
Operating profit	6	4,772,405	4,640,517
Other interest receivable and similar income	10	102,651	—
Interest payable and similar expenses	11	5,006	35,531
Profit before taxation		4,870,050	4,604,986
Tax on profit	12	1,009,699	317,624
Profit for the financial year and total comprehensive income		3,860,351	4,287,362

All the activities of the company are from continuing operations.

Apollo Chemicals Limited

Statement of Financial Position

30 April 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	13	4,743,847	4,311,093
Current assets			
Stocks	14	4,880,192	4,312,929
Debtors	15	11,744,089	7,207,693
Cash at bank and in hand		2,438,115	4,485,820
		19,062,396	16,006,442
Creditors: amounts falling due within one year	16	6,247,751	6,554,951
Net current assets		12,814,645	9,451,491
Total assets less current liabilities		17,558,492	13,762,584
Creditors: amounts falling due after more than one year	17		87,695
Provisions			
Taxation including deferred tax	19	97,593	74,341
Net assets		17,460,899	13,600,548
Capital and reserves			
Called up share capital	23	1,405	1,405
Share premium account	24	139	139
Revaluation reserve	24	613,146	613,146
Capital redemption reserve	24	667	667
Profit and loss account	24	16,845,542	12,985,191
Shareholders funds		17,460,899	13,600,548

These financial statements were approved by the board of directors and authorised for issue on 17 October 2022 , and are signed on behalf of the board by:

Mrs K.M. Savery

Director

Company registration number: 1052410

Apollo Chemicals Limited
Statement of Changes in Equity

Year ended 30 April 2022

	Called up share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 1 May 2020	1,405	139	613,146	667	8,697,829	9,313,186
Profit for the year	-----	----	-----	----	4,287,362	4,287,362
Total comprehensive income for the year	—	—	—	—	4,287,362	4,287,362
At 30 April 2021	1,405	139	613,146	667	12,985,191	13,600,548
Profit for the year	-----	----	-----	----	3,860,351	3,860,351
Total comprehensive income for the year	—	—	—	—	3,860,351	3,860,351
At 30 April 2022	1,405	139	613,146	667	16,845,542	17,460,899

Apollo Chemicals Limited

Statement of Cash Flows

Year ended 30 April 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	3,860,351	4,287,362
<i>Adjustments for:</i>		
Depreciation of tangible assets	371,901	390,550
Other interest receivable and similar income	(102,651)	—
Interest payable and similar expenses	5,006	35,531
Gains on disposal of tangible assets	—	(482)
Tax on profit	1,009,699	317,624
Accrued (income)/expenses	(53,926)	423,733
<i>Changes in:</i>		
Stocks	(567,263)	(833,093)
Trade and other debtors	(4,536,396)	(2,580,879)
Trade and other creditors	(644,709)	2,123,520
Cash generated from operations	(657,988)	4,163,866
Interest paid	(5,006)	(35,531)
Interest received	102,651	—
Tax paid	(492,337)	(267,396)
Net cash (used in)/from operating activities	(1,052,680)	3,860,939
Cash flows from investing activities		
Purchase of tangible assets	(804,655)	(344,734)
Proceeds from sale of tangible assets	—	482
Net cash used in investing activities	(804,655)	(344,252)
Cash flows from financing activities		
Proceeds from borrowings	—	(2,236,834)
Payments of finance lease liabilities	(190,370)	(99,871)
Net cash used in financing activities	(190,370)	(2,336,705)
Net (decrease)/increase in cash and cash equivalents	(2,047,705)	1,179,982
Cash and cash equivalents at beginning of year	4,485,820	3,305,838
Cash and cash equivalents at end of year	2,438,115	4,485,820

Apollo Chemicals Limited

Notes to the Financial Statements

Year ended 30 April 2022

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, DY2 7DJ.

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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

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

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. Deferred tax Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

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

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

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. 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

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. A financial instrument is a contract giving rise to a financial asset (such as trade and other debtors, cash and bank balances) or a financial liability (such as trade and other creditors, bank and other loans, hire purchase and lease creditors) or an equity instrument (such as ordinary or preference shares). Financial instruments are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. All the company's financial instruments are basic financial instruments and are recognised at amortised cost using the effective interest method. Amortised cost: the original transaction value, less amounts settled, less any adjustment for impairment. Effective interest method: where a financial instrument falls due more than 12 months after the balance sheet date and is subject to a rate of interest which is below a market rate, the original transaction value is discounted using a market rate of interest to give the net present value of future cash flows. Derecognition of financial instruments Financial assets cease to be recognised only when the contractual rights to the cash flows expire, or when substantially all the risks and rewards of ownership are transferred to another entity. Financial liabilities cease to be recognised when and only when the company's obligations are discharged, cancelled, or they expire.

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:

	2022	2021
	£	£
Sale of goods	35,021,688	30,833,390

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:

	2022	2021
	£	£
United Kingdom	33,584,941	29,275,471
Rest of Europe	805,935	1,174,340
Rest of the World	630,812	383,579
	35,021,688	30,833,390

5. Other operating income

	2022	2021
	£	£
Other operating income	53,762	—

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Gains on disposal of tangible assets	—	(482)
Impairment of trade debtors	—	3,169
Operating lease rentals	260,722	305,024
Depreciation of tangible assets	371,901	252,377
Depreciation of tangible assets held under hire purchase	—	138,173
Exchange differences	(43,572)	(27,682)

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	12,000	12,000
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	17,700	17,700

8. Staff costs

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

	2022	2021
	No.	No.
Production staff	127	120
Administrative staff	25	23
Management staff	2	2
Number of sales and technical staff	14	11
	168	156

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

	2022	2021
	£	£
Wages and salaries	3,660,195	4,560,327
Social security costs	635,533	534,013
Other pension costs	282,616	368,905
	<u>4,578,344</u>	<u>5,463,245</u>

9. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	213,266	—
	<u>213,266</u>	<u>—</u>

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

	2022	2021
	£	£
Aggregate remuneration	213,266	—
	<u>213,266</u>	<u>—</u>

10. Other interest receivable and similar income

	2022	2021
	£	£
Interest on cash and cash equivalents	102,651	—
	<u>102,651</u>	<u>—</u>

11. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	—	28,697
Interest on obligations under finance leases and hire purchase contracts	5,006	6,834
	<u>5,006</u>	<u>35,531</u>

12. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	889,566	716,507
Adjustments in respect of prior periods	96,881	(408,264)
	<u>986,447</u>	<u>308,243</u>
Deferred tax:		
Origination and reversal of timing differences	23,252	9,381
	<u>23,252</u>	<u>9,381</u>
Tax on profit	<u>1,009,699</u>	<u>317,624</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	4,870,050	4,604,986
Profit on ordinary activities by rate of tax	925,310	874,947
Adjustment to tax charge in respect of prior periods	96,881	(408,264)
Effect of expenses not deductible for tax purposes	428	376
Effect of capital allowances and depreciation	(12,920)	(149,435)
Tax on profit	1,009,699	317,624

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.

13. Tangible assets

	Freehold property	Long leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 May 2021	418,671	3,755,281	5,428,198	942,137	16,000	10,560,287
Additions	—	357,100	361,816	32,539	53,200	804,655
Disposals	—	—	(2,260,660)	(537,013)	(6,500)	(2,804,173)
At 30 Apr 2022	418,671	4,112,381	3,529,354	437,663	62,700	8,560,769
Depreciation						
At 1 May 2021	92,116	418,029	5,057,577	665,472	16,000	6,249,194
Charge for the year	4,187	46,126	244,756	63,532	13,300	371,901
Disposals	—	—	(2,260,660)	(537,013)	(6,500)	(2,804,173)
At 30 Apr 2022	96,303	464,155	3,041,673	191,991	22,800	3,816,922
Carrying amount						
At 30 Apr 2022	322,368	3,648,226	487,681	245,672	39,900	4,743,847
At 30 Apr 2021	326,555	3,337,252	370,621	276,665	—	4,311,093

The leasehold buildings are on land which has been leased for a term of 125 years from 12th December 1974. Freehold land and buildings have been amortised over 100 years. Other tangible fixed assets including additions to land and buildings are included at cost. The directors are not aware of any material change in the property values. 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 (2020 £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. Other tangible fixed assets including subsequent additions to land and buildings are included at cost. The directors do not feel a revaluation on the accounts was necessary.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 30 April 2022	—
At 30 April 2021	32,786

14. Stocks

	2022 £	2021 £
Raw materials and consumables	3,881,785	3,387,362
Finished goods and goods for resale	998,407	925,567
	4,880,192	4,312,929

15. Debtors

	2022 £	2021 £
Trade debtors	5,452,250	4,973,910
Amounts owed by holding company - H.B. Fuller Company	2,801,854	—
Prepayments and accrued income	520,655	361,577
Amount owed by related company - Apollo Roofing Solutions Limited	2,411,533	1,373,848
Amount owed by related company - Apollo Construction Solutions Limited	541,499	479,832
Other debtors	16,298	18,526
	11,744,089	7,207,693

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,169,543	5,026,371
Accruals and deferred income	555,361	609,287
Corporation tax	534,957	40,847
Social security and other taxes	987,604	775,771
Obligations under finance leases and hire purchase contracts	—	102,675
Other creditors	286	—
	<u>6,247,751</u>	<u>6,554,951</u>

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

17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts	—	87,695
	<u>—</u>	<u>87,695</u>

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

18. Finance leases and hire purchase contracts

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

	2022	2021
	£	£
Not later than 1 year	—	102,675
Later than 1 year and not later than 5 years	—	87,695
	<u>—</u>	<u>190,370</u>

19. Provisions

	Deferred tax (note 20) £
At 1 May 2021	74,341
Additions	23,252
At 30 April 2022	<u>97,593</u>

20. Deferred tax

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

	2022	2021
	£	£
Included in provisions (note 19)	97,593	74,341
	<u>97,593</u>	<u>74,341</u>

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

	2022	2021
	£	£
Accelerated capital allowances	97,593	74,341
	<u>97,593</u>	<u>74,341</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 282,616 (2021: £ 368,905).

22. Financial instruments

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

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	5,452,250	4,973,910
Other debtors	6,291,839	2,233,783
Cash at bank and in hand	2,438,115	4,485,820
	<u>14,182,204</u>	<u>11,693,513</u>
Financial liabilities measured at amortised cost		
Trade creditors	4,169,543	5,026,371
Other creditors	2,075,900	1,425,905
Finance lease and hire purchase	—	190,370
Provisions	97,593	74,341
	<u>6,343,036</u>	<u>6,716,987</u>

23. Called up share capital

Issued, called up and fully paid

	2022		2021	
	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>

24. Reserves

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

25. Analysis of changes in net debt

	At 1 May 2021	Cash flows	At 30 Apr 2022
	£	£	£
Cash at bank and in hand	4,485,820	(2,047,705)	2,438,115
Debt due within one year	(102,675)	102,675	—
Debt due after one year	(87,695)	87,695	—
	<u>4,295,450</u>	<u>(1,857,335)</u>	<u>2,438,115</u>

26. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	260,721	305,022
Later than 1 year and not later than 5 years	585,662	637,310
	<u>846,383</u>	<u>942,332</u>

27. Related party transactions

As the company is a wholly owned subsidiary of H.B. Fuller Company, the company has taken advantage of the exemption, contained in paragraph 33.1A of FRS 102 "related party transactions" and has, therefore, not disclosed balances or transactions with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of the ultimate parent H.B. Fuller Company, within which this company is included, can be obtained from the address given in note 28.

28. Ultimate parent company

The company's ultimate parent and controlling company and the controlling party of the smallest and largest group for which consolidated financial statements are prepared is H.B. Fuller Company, a company incorporated in the United States of America. Copies of the group financial statements are obtainable from the company secretary at: H.B. Fuller Company 1200 Willow Lake Boulevard Saint Paul Minnesota 55164-0683 USA

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