
Apollo Scientific Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



Apollo Scientific Limited

Company Information

Directors	M Tanuma N Tokunaga (appointed 28 June 2018)
Company secretary	J A Holland
Registered number	02856632
Registered office	Whitefield Road Bredbury Stockport Cheshire SK6 2QR
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

Apollo Scientific Limited

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Apollo Scientific Limited

Strategic Report For the year ended 31 December 2018

Introduction

The directors present the strategic report for the year ended 31 December 2018.

Business review

Turnover increased by £2.2m to £16.9m (15%) when compared to the prior year. The key factor being the increase in bulk sales which were higher than budgeted due to further development of existing pharma projects and increased demand on some long standing traditional bulk business.

Gross profit % decreased year on year by 3.9 percentage points to 30.4%. The main reason for the decrease is the higher proportion of bulk sales made at lower margins to total turnover.

Overheads have decreased by £0.15m owing to higher exchange gains offset to an extent by a decrease in depreciation on tangible fixed assets.

Despite a fall in gross profit %, operating profit of £1.4m has been achieved and the company is in an excellent financial position with large cash reserves of £4.5m.

Principal risks and uncertainties

The company trades in overseas markets. Both sales and purchases are made in foreign currencies therefore a natural hedge exists to an extent. Prices are constantly monitored and where unfavourable exchange rate movements are expected, are altered accordingly where possible.

The contribution from bulk sales is significant to cover the fixed cost base of the company. The level of bulk sales made on the spot market are difficult to predict however do not form a large part of the bulk sales therefore fluctuations are not considered a major risk. Other bulk sales are historically fairly consistent year on year therefore large unfavourable fluctuations are not foreseen at this time.

Credit risk is managed by standard procedures including the use of credit rating agencies when deciding upon credit terms and the ongoing monitoring of accounts. Liquidity risk is managed by keeping sufficient cash deposits in order to meet liabilities as they fall due.

Financial key performance indicators

A summary of the financial key performance indicators for the past five years is as follows:

	2018	2017	2016	2015	2014
Turnover £'000	16,850	14,639	14,050	16,653	18,684
Gross Profit £'000	5,130	5,024	4,851	5,065	6,212
Gross Profit %	30.4%	34.3%	34.5%	30.4%	33.2%
Profit before tax £'000	1,397	1,151	1,209	1,169	2,339
Profit before tax %	8%	8%	9%	7%	13%
No. of employees	73	73	73	69	69
Turnover / employee £'000	231	201	192	241	271
Gross Profit / employee £'000	70	69	66	73	90
Profit before tax / employee £'000	19	16	17	17	34

Apollo Scientific Limited

Strategic Report (continued)
For the year ended 31 December 2018

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M Tanuma', is written over a horizontal dotted line.

M Tanuma
Director

Date: 26 February 2019

Apollo Scientific Limited

Directors' Report For the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 and other information included in directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £1,179,919 (2017 - £948,669).

Dividends declared in the year amount to £605,454 (2017 - £515,976).

Directors

The directors who served during the year were:

M Tanuma
T Kume (resigned 28 June 2018)
N Tokunaga (appointed 28 June 2018)

Future developments

The directors look forward to another successful year with similar levels of trading expected in 2019. Increases in inventory and development stock in North America should allow for greater growth in the catalogue sector.

Apollo Scientific Limited

Directors' Report (continued)
For the year ended 31 December 2018

Research and development activities

The company continues to invest in research and development with the purpose of creating products for resale. In house manufacturing is expected to be further advanced by the introduction of flow chemistry into our UK laboratory which will allow diversification into new product areas.

Matters covered in the strategic report

The principal risks and uncertainties including reference to financial instruments are included in the strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

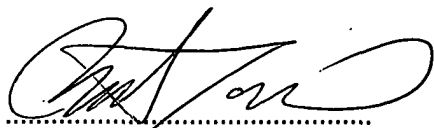
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
M Tanuma
Director

Date: 26 February 2019

Independent Auditors' Report to the Shareholders of Apollo Scientific Limited

Opinion

We have audited the financial statements of Apollo Scientific Limited (the 'company') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity 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 Financial Reporting Standard 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 31 December 2018 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. 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.

Apollo Scientific Limited

Independent Auditors' Report to the Shareholders of Apollo Scientific Limited (continued)

We have nothing to report in this regard.

Opinion 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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, 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.

Auditors' 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 auditors' 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.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Apollo Scientific Limited

Independent Auditors' Report to the Shareholders of Apollo Scientific Limited (continued)

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.


Mike Jackson (senior statutory auditor)
for and on behalf of
Hurst & Company Accountants LLP
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

26 February 2019

Apollo Scientific Limited

**Statement of Comprehensive Income
For the year ended 31 December 2018**

	Note	2018 £	2017 £
Turnover	4	16,850,219	14,638,579
Cost of sales		(11,720,598)	(9,614,430)
Gross profit		5,129,621	5,024,149
Administrative expenses		(3,737,525)	(3,883,789)
Other operating (expense) / income	5	(406)	5,773
Operating profit	6	1,391,690	1,146,133
Interest receivable and similar income	10	13,202	6,506
Interest payable and expenses	11	(8,000)	(2,011)
Profit before tax		1,396,892	1,150,628
Tax on profit	12	(216,973)	(201,959)
Profit for the financial year		1,179,919	948,669

There was no other comprehensive income for 2018 (2017:£NIL).

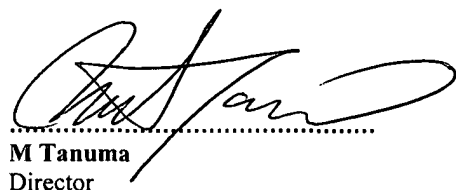
The notes on pages 12 to 23 form part of these financial statements.

Apollo Scientific Limited
Registered number: 02856632

Balance Sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	368,479	369,283
Current assets			
Stocks	15	4,674,126	4,533,997
Debtors: amounts falling due within one year	16	1,566,556	1,730,916
Cash at bank and in hand	17	4,519,526	3,845,720
		<u>10,760,208</u>	<u>10,110,633</u>
Creditors: amounts falling due within one year	18	(1,878,087)	(1,813,867)
Net current assets		<u>8,882,121</u>	<u>8,296,766</u>
Total assets less current liabilities		<u>9,250,600</u>	<u>8,666,049</u>
Provisions for liabilities			
Deferred tax	20	(41,287)	(31,201)
Net assets		<u>9,209,313</u>	<u>8,634,848</u>
Capital and reserves			
Called up share capital	21	99	99
Profit and loss account	22	9,209,214	8,634,749
Shareholders' funds		<u>9,209,313</u>	<u>8,634,848</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M Tanuma
Director

Date: 26 February 2019

The notes on pages 12 to 23 form part of these financial statements.

Apollo Scientific Limited

**Statement of Changes in Equity
For the year ended 31 December 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	99	8,202,056	8,202,155
Comprehensive income for the year			
Profit for the year	-	948,669	948,669
Contributions by and distributions to owners			
Dividends: Equity capital	-	(515,976)	(515,976)
At 1 January 2018	99	8,634,749	8,634,848
Comprehensive income for the year			
Profit for the year	-	1,179,919	1,179,919
Contributions by and distributions to owners			
Dividends: Equity capital	-	(605,454)	(605,454)
At 31 December 2018	99	9,209,214	9,209,313

Apollo Scientific Limited

Statement of Cash Flows
For the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,179,919	948,669
Adjustments for:		
Depreciation of tangible assets	161,107	144,777
Interest paid	8,000	2,011
Interest received	(13,202)	(6,506)
Taxation charge	216,973	201,959
(Increase) in stocks	(140,130)	(111,895)
Decrease in debtors	78,752	95,947
(Increase)/decrease in amounts owed by connected parties	(3,870)	-
(Decrease)/increase in creditors	(383,207)	120,344
Increase/(decrease) in amounts owed to connected parties	460,541	(259,879)
Corporation tax (paid)	(220,000)	(329,086)
Net cash generated from operating activities	1,344,883	806,341
Cash flows from investing activities		
Purchase of tangible fixed assets	(160,303)	(180,813)
Interest received	13,202	6,506
Net cash from investing activities	(147,101)	(174,307)
Cash flows from financing activities		
Dividends paid	(515,976)	(519,315)
Interest paid	(8,000)	(2,011)
Net cash used in financing activities	(523,976)	(521,326)
Net increase in cash and cash equivalents	673,806	110,708
Cash and cash equivalents at beginning of year	3,845,720	3,735,012
Cash and cash equivalents at the end of year	4,519,526	3,845,720
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,519,526	3,845,720

Apollo Scientific Limited

Notes to the Financial Statements For the year ended 31 December 2018

1. General information

Apollo Scientific Limited is a private company limited by share capital incorporated in England, registered number 02856632. The address of the registered office and principal place of business is Whitefield Road, Bredbury, Stockport, Cheshire, SK6 2QR.

The nature of the company's operation and its principal activity is that of the supply of chemicals and other related products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements
For the year ended 31 December 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 5 - 12.5% straight line over the life of the lease
Plant and machinery	- 12.5% straight line
Motor vehicles	- 20% straight line
Fixtures, fittings and equipment	- 10 - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Internally produced raw materials include all directly attributable labour and overheads.

At each balance sheet date, stocks are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss

Notes to the Financial Statements
For the year ended 31 December 2018

2. Accounting policies (continued)

2.5 Financial instruments (continued)

is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Notes to the Financial Statements
For the year ended 31 December 2018**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Research and development

Research and development costs are written off in the period they are incurred.

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Management discussed with the directors the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. The key sources of estimation, uncertainty and critical accounting judgements in applying the company's policies are discussed below.

Provision for impairment loss on trade receivables

The management of the company exercises significant judgement in providing for impairment loss on trade receivables. Should these estimates vary, the profit or loss and balance sheet of the following years could be significantly impacted.

Provision for obsolete and slow moving stocks

The company reviews its stocks to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the estimated net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than the cost based on best estimates by the management. The provision for obsolescence of stock is based on the ageing and historical sales pattern.

Other estimates and judgements

Management of the company also exercises significant judgement in estimating the useful life of property, plant and equipment.

Should these vary, the profit or loss and balance sheet of the following years could be significantly impacted.

4. Turnover

Analysis of turnover by geographical market:

	2018 £	2017 £
United Kingdom	3,645,391	2,929,293
Rest of Europe	7,077,365	4,765,884
Rest of the world	6,127,463	6,943,402
	<u>16,850,219</u>	<u>14,638,579</u>

5. Other operating (expense) / income

	2018 £	2017 £
Sundry (expense) / income	(406)	5,773
	<u>(406)</u>	<u>5,773</u>

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

6. Operating profit

The operating profit is stated after charging / (crediting):

	2018 £	2017 £
Research & development charged as an expense	454,365	291,269
Depreciation of tangible fixed assets	161,107	144,775
Exchange differences	(171,318)	(7,223)
Other operating lease rentals	269,172	268,812
Defined contribution pension cost	157,269	149,299
	<u>157,269</u>	<u>149,299</u>

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	10,750	10,200
Other services relating to taxation	2,050	2,050
All other services	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	2,241,592	2,288,247
Social security costs	199,427	219,953
Cost of defined contribution scheme	157,269	149,299
	<u>2,598,288</u>	<u>2,657,499</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Sales	18	18
Administration	28	28
Laboratory/Production	27	27
	<u>73</u>	<u>73</u>

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	-	30,000

10. Interest receivable

	2018 £	2017 £
Other interest receivable	13,202	6,506

11. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	8,000	2,011

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	214,518	187,631
Adjustments in respect of previous periods	(7,631)	4,776
	206,887	192,407
Deferred tax		
Origination and reversal of timing differences	10,086	9,552
Taxation on profit on ordinary activities	216,973	201,959

Apollo Scientific Limited

Notes to the Financial Statements
For the year ended 31 December 2018

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,396,892</u>	<u>1,150,628</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	265,409	218,619
Effects of:		
Expenses not deductible for tax purposes	2,697	2,784
Adjustments to tax charge in respect of prior periods	(7,631)	4,776
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(44,163)	(25,952)
Changes in tax rates	-	1,732
Other differences leading to an increase (decrease) in the tax charge	661	-
Total tax charge for the year	<u>216,973</u>	<u>201,959</u>

13. Dividends

	2018 £	2017 £
Dividends paid in the year on equity capital	<u>605,454</u>	<u>515,976</u>

Apollo Scientific Limited

Notes to the Financial Statements
For the year ended 31 December 2018

14. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2018	445,843	129,076	315,082	9,950	899,951
Additions	879	23,729	135,695	-	160,303
At 31 December 2018	<u>446,722</u>	<u>152,805</u>	<u>450,777</u>	<u>9,950</u>	<u>1,060,254</u>
Depreciation					
At 1 January 2018	257,738	104,904	162,057	5,969	530,668
Charge for the year	28,693	14,909	115,515	1,990	161,107
At 31 December 2018	<u>286,431</u>	<u>119,813</u>	<u>277,572</u>	<u>7,959</u>	<u>691,775</u>
Net book value					
At 31 December 2018	<u>160,291</u>	<u>32,992</u>	<u>173,205</u>	<u>1,991</u>	<u>368,479</u>
At 31 December 2017	<u>188,105</u>	<u>24,172</u>	<u>153,025</u>	<u>3,981</u>	<u>369,283</u>

15. Stocks

	2018 £	2017 £
Raw materials and consumables	<u>4,674,126</u>	<u>4,533,997</u>

Stock recognised in cost of sales during the year as an expense was £10,566,653 (2017 - £8,501,751) .

An impairment loss of £23,503 (2017 - £33,807) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

16. Debtors

	2018	2017
	£	£
Trade debtors	1,287,407	1,398,436
Amounts owed by group undertakings	4,686	-
Other debtors	106,487	153,436
Prepayments and accrued income	167,976	179,044
	<u>1,566,556</u>	<u>1,730,916</u>

17. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	4,519,526	3,845,720
	<u>4,519,526</u>	<u>3,845,720</u>

18. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	393,896	818,990
Amounts owed to group undertakings	1,082,060	621,519
Corporation tax	74,518	87,631
Other taxation and social security	113,674	111,048
Other creditors	9,062	27,884
Accruals and deferred income	204,877	146,795
	<u>1,878,087</u>	<u>1,813,867</u>

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

19. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,296,677</u>	<u>1,403,020</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,689,895</u>	<u>1,615,188</u>

Financial assets measured at amortised cost comprise trade and other receivables.

Financial liabilities measured at amortised cost comprise bank overdrafts, group, trade and other payables.

20. Deferred taxation

	2018 £	2017 £
At beginning of year	31,201	21,649
Charged to profit or loss	10,086	9,552
At end of year	<u>41,287</u>	<u>31,201</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	41,299	35,972
Other timing differences	(12)	(4,771)
	<u>41,287</u>	<u>31,201</u>

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
99 Ordinary shares of £1 each	<u>99</u>	<u>99</u>

Apollo Scientific Limited

**Notes to the Financial Statements
For the year ended 31 December 2018**

22. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

23. Pension commitments

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £157,269 (2017 - £149,299). Contributions totalling £58 (2017 - £25,109) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	265,880	265,880
Later than 1 year and not later than 5 years	977,000	1,046,000
Later than 5 years	240,625	433,125

25. Related party transactions

Transactions entered into with companies wholly owned within the group have not been disclosed as permitted under FRS 102 paragraph 33.1A.

Key management personnel remuneration totalled £475,013 (2017 - £658,129).

26. Controlling party

The ultimate parent company is Central Glass Co. Ltd., a company incorporated in Japan and is listed on the Tokyo Stock Exchange (First Section), by virtue of its 100% share in Central Glass Europe Limited, the immediate parent company, who own 100% of the voting share capital in Apollo Scientific Limited.