

COMPANY REGISTRATION NUMBER: 4977152

Apollo Chemicals Group Limited

Financial Statements

30 April 2017

Apollo Chemicals Group Limited

Financial Statements

Year ended 30 April 2017

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Apollo Chemicals Group Limited

Officers and Professional Advisers

The board of directors	Mr J.H. Saunders Mrs G. Saunders Mr I. Cornelius (Director of Apollo Chemicals Limited) Mr P. Turton (Director of Raleigh Adhesive Coatings Limited)
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 DY2 7DJ
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 Group Limited

Strategic Report

Year ended 30 April 2017

The directors present their Strategic Report for the year ended 30th April 2017. Results The profit for the year, after taxation amounted to £1,986,440 (2016 £1,171,438). Principal activities, review of the business and future development The principal activity of the Group 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 no significant change in this activity during the year.

	2017	2016
	£	£
Turnover from continuing operations	29,735,648	25,953,968
Operating profit	2,396,291	1,491,501
Working capital	5,546,447	4,845,472

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

Financial risk management objectives and policies The Group finances its operations through a mixtures of retained profits, bank borrowings 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 Group's trading activities. As the Group's surplus funds are primarily invested in sterling bank accounts, this limits exposure to price risk. The Group has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The Group does not enter into any hedging transactions.

This report was approved by the board of directors on 5 January 2018 and signed on behalf of the board by:

Mr J.H. Saunders

Director

Registered office:

Ashford House

95 Dixons Green

Dudley

West Midlands

Apollo Chemicals Group Limited

Directors' Report

Year ended 30 April 2017

The directors present their report and the financial statements of the group for the year ended 30 April 2017 .

Directors

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

Mr J.H. Saunders

Mrs G. Saunders

Mr I. Cornelius (Director of Apollo Chemicals Limited)

Mr P. Turton (Director of Raleigh Adhesive Coatings Limited)

Dividends

The directors do not recommend the payment of a dividend.

Research and development

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

Donations

During the year the Group made charitable donations of £2,800 (2016 £2,600)

Going concern

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

The directors have a reasonable expectation that the Group 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 group and the company and the profit or loss of the group 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 group and 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 group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 5 January 2018 and signed on behalf of the board by:

Mr J.H. Saunders

Director

Registered office:

Ashford House

95 Dixons Green

Dudley

West Midlands

Apollo Chemicals Group Limited

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

Year ended 30 April 2017

We have audited the financial statements of Apollo Chemicals Group Limited for the year ended 30 April 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2017 and of the group's 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 our 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.

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 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 accountant & statutory auditor

Ashford House

95 Dixons Green

Dudley

West Midlands

DY2 7DJ

8 January 2018

Apollo Chemicals Group Limited

Consolidated Statement of Comprehensive Income

Year ended 30 April 2017

		2017	2016
	Note	£	£
Turnover	4	29,735,648	25,953,779
Change in stocks of finished goods and in work in progress		(812,181)	615,874
		<u>28,923,467</u>	<u>26,569,653</u>
Raw material and consumables		15,375,112	13,729,913
Other external charges		664,940	700,124
Staff costs	7	6,776,711	6,043,040
Depreciation and other amounts written off tangible and intangible fixed assets		442,054	553,555
Other operating expenses		3,268,359	4,051,520
		<u>2,396,291</u>	<u>1,491,501</u>
Operating profit	5	2,396,291	1,491,501
Other interest receivable and similar income	9	5,479	6,771
Interest payable and similar expenses	10	40,765	56,257
		<u>2,361,005</u>	<u>1,442,015</u>
Profit before taxation		2,361,005	1,442,015
Tax on profit	11	374,565	270,577
		<u>1,986,440</u>	<u>1,171,438</u>
Profit for the financial year and total comprehensive income		1,986,440	1,171,438
Profit for the financial year attributable to:			
The owners of the parent company		1,967,701	1,159,820
Non-controlling interests		18,739	11,618
		<u>1,986,440</u>	<u>1,171,438</u>

All the activities of the group are from continuing operations.

Apollo Chemicals Group Limited
Consolidated Statement of Financial Position

30 April 2017

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	12	3,339,351	3,574,153
Current assets			
Stocks	14	3,193,347	2,809,379
Debtors	15	7,218,525	6,642,062
Cash at bank and in hand		4,751,014	3,887,085
		-----	-----
		15,162,886	13,338,526
Creditors: amounts falling due within one year	16	7,662,973	7,876,264
		-----	-----
Net current assets		7,499,913	5,462,262
		-----	-----
Total assets less current liabilities		10,839,264	9,036,415
Creditors: amounts falling due after more than one year	17	1,200,000	1,363,485
Provisions			
Taxation including deferred tax	19	30,318	50,424
		-----	-----
Net assets		9,608,946	7,622,506
		-----	-----
Capital and reserves			
Called up share capital	23	300	300
Share premium account	24	2,499,900	2,499,900
Capital redemption reserve	24	208,828	208,828
Profit and loss account	24	6,747,931	4,780,230
		-----	-----
Equity attributable to the owners of the parent company		9,456,959	7,489,258
Non-controlling interests		151,987	133,248
		-----	-----
		9,608,946	7,622,506
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 5 January 2018 , and are signed on behalf of the board by:

Mr J.H. Saunders Director

Company registration number: 4977152

Apollo Chemicals Group Limited
Company Statement of Financial Position

30 April 2017

		2017	2016
	Note	£	£
Fixed assets			
Investments	13	4,976,451	4,976,451
Current assets			
Debtors	15	—	23,807
Cash at bank and in hand		23,807	—
		23,807	23,807
Net current assets		23,807	23,807
Total assets less current liabilities		5,000,258	5,000,258
Capital and reserves			
Called up share capital	23	300	300
Share premium account	24	2,499,900	2,499,900
Profit and loss account	24	2,500,058	2,500,058
Shareholders funds		5,000,258	5,000,258

The profit for the financial year of the parent company was £Nil (2016: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 5 January 2018 , and are signed on behalf of the board by:

Mr J.H. Saunders Director

Company registration number: 4977152

Apollo Chemicals Group Limited

Consolidated Statement of Changes in Equity

Year ended 30 April 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
At 1 May 2015	300	2,499,900	208,828	3,620,410	6,329,438	121,630	6,451,068
Profit for the year	---	-----	-----	1,159,820	1,159,820	11,618	1,171,438
Total comprehensive income for the year	---	-----	-----	1,159,820	1,159,820	11,618	1,171,438
At 30 April 2016	300	2,499,900	208,828	4,780,230	7,489,258	133,248	7,622,506
Profit for the year	---	-----	-----	1,967,701	1,967,701	18,739	1,986,440
Total comprehensive income for the year	---	-----	-----	1,967,701	1,967,701	18,739	1,986,440
At 30 April 2017	300	2,499,900	208,828	6,747,931	9,456,959	151,987	9,608,946

Apollo Chemicals Group Limited

Company Statement of Changes in Equity

Year ended 30 April 2017

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 May 2015	300	2,499,900	2,500,058	5,000,258
Profit for the year			—	—
At 30 April 2016	300	2,499,900	2,500,058	5,000,258
Profit for the year			—	—
At 30 April 2017	300	2,499,900	2,500,058	5,000,258

Apollo Chemicals Group Limited

Consolidated Statement of Cash Flows

Year ended 30 April 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	1,986,440	1,171,438
<i>Adjustments for:</i>		
Depreciation of tangible assets	443,754	553,555
Other interest receivable and similar income	(5,479)	(6,771)
Interest payable and similar expenses	40,765	56,257
Gains on disposal of tangible assets	(1,700)	–
Tax on profit	374,565	270,577
Accrued expenses/(income)	33,396	(771,443)
<i>Changes in:</i>		
Stocks	(383,968)	(208,775)
Trade and other debtors	(576,463)	(323,632)
Trade and other creditors	(697,412)	1,240,451
Cash generated from operations	1,213,898	1,981,657
Interest paid	(40,765)	(56,257)
Interest received	5,479	6,771
Tax paid	(300,584)	(215,716)
Net cash from operating activities	878,028	1,716,455
Cash flows from investing activities		
Purchase of tangible assets	(208,952)	(239,603)
Proceeds from sale of tangible assets	1,700	–
Net cash used in investing activities	(207,252)	(239,603)
Cash flows from financing activities		
Proceeds from borrowings	274,860	(542,921)
Payments of finance lease liabilities	(81,707)	(91,720)
Net cash from/(used in) financing activities	193,153	(634,641)
Net increase in cash and cash equivalents	863,929	842,211
Cash and cash equivalents at beginning of year	3,887,085	3,044,873
Cash and cash equivalents at end of year	4,751,014	3,887,084

Apollo Chemicals Group Limited

Notes to the Financial Statements

Year ended 30 April 2017

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 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.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Apollo Chemicals Group Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

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 and machinery	-	4 years
Fixtures and fittings	-	7 years
Motor vehicles	-	4 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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 Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost. 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 Consolidated profit and loss account. 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 is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date. 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.

Defined contribution plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the Consolidated profit and loss account 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 Group in independently administered funds.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	29,735,648	25,953,779

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

	2017	2016
	£	£
United Kingdom	27,909,904	24,534,619
Overseas	1,825,744	1,419,160
	<u>29,735,648</u>	<u>25,953,779</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Gains on disposal of tangible assets	(1,700)	—
Impairment of trade debtors	19,042	(1,017)
Operating lease rentals	414,996	417,304
Depreciation on tangible fixed assets	401,464	511,265
Depreciation on tangible fixed assets held under hire purchase	42,290	42,290
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	17,000	17,000
	<u> </u>	<u> </u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	20,700	20,700
	<u> </u>	<u> </u>

7. Staff costs

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

	2017	2016
	No.	No.
Production staff	126	104
Administrative staff	22	22
Management staff	4	4
Number of technical staff	25	25
	<u> </u>	<u> </u>
	177	155
	<u> </u>	<u> </u>

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

	2017	2016
	£	£
Wages and salaries	6,008,035	5,285,166
Social security costs	624,412	566,195
Other pension costs	144,264	191,679
	<u>6,776,711</u>	<u>6,043,040</u>

8. Directors' remuneration

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

	2017	2016
	£	£
Remuneration	1,014,769	880,216
Company contributions to defined contribution pension plans	—	13,415

1,014,769

893,631

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

	2017	2016
	No.	No.
Defined contribution plans	—	1
	----	----

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

	2017	2016
	£	£
Aggregate remuneration	632,140	673,510
	-----	-----

9. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	5,479	6,771
	-----	-----

10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	36,375	48,211
Interest on obligations under finance leases and hire purchase contracts	4,390	8,046
	-----	-----
	40,765	56,257
	-----	-----

11. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	394,681	300,594
Adjustments in respect of prior periods	(10)	(9)
	-----	-----
Total current tax	394,671	300,585
	-----	-----
Deferred tax:		
Origination and reversal of timing differences	(20,106)	(30,008)
	-----	-----
Tax on profit	374,565	270,577
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 39.84 % (2016: 40 %).

	2017	2016
	£	£
Profit on ordinary activities before taxation	2,361,005	1,442,015
	-----	-----
Profit on ordinary activities by rate of tax	470,312	288,403
Adjustment to tax charge in respect of prior periods	(1,448)	(4)
Effect of expenses not deductible for tax purposes	5,765	49,508
Effect of capital allowances and depreciation	(100,005)	(67,325)
Rounding on tax charge	(59)	(5)
	-----	-----
Tax on profit	374,565	270,577
	-----	-----

12. Tangible assets

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 May 2016	418,671	2,551,325	7,548,921	609,603	213,364	11,341,884
Additions	–	–	208,952	–	–	208,952
Disposals	–	–	–	–	(8,000)	(8,000)
At 30 Apr 2017	418,671	2,551,325	7,757,873	609,603	205,364	11,542,836
Depreciation						
At 1 May 2016	71,181	237,444	6,709,988	574,236	174,882	7,767,731
Charge for the year	4,187	27,124	365,838	23,567	23,038	443,754
Disposals	–	–	–	–	(8,000)	(8,000)
At 30 Apr 2017	75,368	264,568	7,075,826	597,803	189,920	8,203,485
Carrying amount						
At 30 Apr 2017	343,303	2,286,757	682,047	11,800	15,444	3,339,351
At 30 Apr 2016	347,490	2,313,881	838,933	35,367	38,482	3,574,153

The company has no tangible assets.

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:

Group	Plant and machinery £
At 30 April 2017	211,450
At 30 April 2016	253,740

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 May 2016 and 30 April 2017	4,976,451
Impairment	
At 1 May 2016 and 30 April 2017	–
Carrying amount	
At 1 May 2016 and 30 April 2017	4,976,451
At 30 April 2016	4,976,451

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Apollo Chemicals Limited	Ordinary	95
	Ordinary "B"	5
Apollo Chemicals Holdings Limited	Ordinary	100
Raleigh Adhesive Coatings Limited	Ordinary	92

14. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	2,626,456	1,430,307	—	—
Finished goods and goods for resale	566,891	1,379,072	—	—
	-----	-----	---	---
	3,193,347	2,809,379	—	—
	-----	-----	---	---

15. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	5,213,135	5,160,192	—	—
Amounts owed by group undertakings	—	—	—	23,807
Prepayments and accrued income	175,265	129,527	—	—
Amount due from related company	805,573	1,346,252	—	—
Amount due from fellow subsidiary	1,015,993	—	—	—
Other debtors	8,559	6,091	—	—
	-----	-----	---	---
	7,218,525	6,642,062	—	23,807
	-----	-----	---	---

16. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	100,000	100,000	—	—
Trade creditors	2,860,035	3,124,099	—	—
Accruals and deferred income	283,361	249,965	—	—
Corporation tax	394,681	300,594	—	—
Social security and other taxes	937,163	1,445,585	—	—
Obligations under finance leases and hire purchase contracts	63,485	81,707	—	—
Director loan accounts	1,950,618	1,575,758	—	—
Other creditors	1,073,630	998,556	—	—
	-----	-----	---	---
	7,662,973	7,876,264	—	—
	-----	-----	---	---

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 17.

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	1,200,000	1,300,000	—	—
Obligations under finance leases and hire purchase contracts	—	63,485	—	—
	1,200,000	1,363,485	—	—

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 £800,000 (2016 £900,000).

18. Finance leases and hire purchase contracts

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	63,485	81,707	—	—
Later than 1 year and not later than 5 years	—	63,485	—	—
	63,485	145,192	—	—

19. Provisions

Group	Deferred tax (note 20) £
At 1 May 2016	50,424
Additions	4,370
Charge against provision	(24,476)
At 30 April 2017	30,318

The company does not have any provisions.

20. Deferred tax

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 19)	30,318	50,424	—	—
	-----	-----	---	---

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	30,318	50,424	—	—
	-----	-----	---	---

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 144,264 (2016: £ 191,679).

22. Financial instruments

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

Financial assets that are debt instruments measured at amortised cost

	Group	
	2017	2016
	£	£
Trade debtors	5,213,135	10,320,384
Other debtors	2,005,390	2,981,258
Cash at bank in hand	4,727,207	7,774,168
	-----	-----
	11,945,732	21,075,810
	-----	-----

Financial liabilities measured at amortised cost

	Group	
	2017	2016
	£	£
Bank loans and overdrafts	1,300,000	1,400,000
Trade creditors	2,860,035	6,248,198
Other creditors	4,744,014	7,353,202
Finance leases	63,485	290,384
Provisions	30,318	100,308
	-----	-----
	8,997,852	15,392,092
	-----	-----

23. Called up share capital**Issued, called up and fully paid**

	2017		2016	
	No.	£	No.	£
Ordinary shares of £ 1 each	300	300	300	300
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24. Reserves

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

25. Operating leases

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	153,323	180,485	—	—
Later than 1 year and not later than 5 years	286,776	76,337	—	—
Later than 5 years	459,000	573,750	—	—
	-----	-----	----	----
	899,099	677,898	—	—
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26. Directors' advances, credits and guarantees

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

	2017			
	Balance	Advances/	Amounts	Balance
	brought forward	(credits) to the	repaid	outstanding
	£	£	£	£
Mr J.H. Saunders	(1,550,758)	335,140	(695,000)	(1,910,618)
Mrs G. Saunders	(25,000)	25,000	(40,000)	(40,000)
Mr P. Turton (Director of Raleigh Adhesive Coatings Limited)	—	—	—	—
	-----	-----	-----	-----
	(1,575,758)	360,140	(735,000)	(1,950,618)
	-----	-----	-----	-----
	2016			
	Balance	Advances/	Amounts	Balance
	brought forward	(credits) to the	repaid	outstanding
	£	£	£	£
Mr J.H. Saunders	(2,018,679)	992,921	(525,000)	(1,550,758)
Mrs G. Saunders	—	—	—	—
Mr P. Turton (Director of Raleigh Adhesive Coatings Limited)	—	—	(25,000)	(25,000)
	-----	-----	-----	-----
	(2,018,679)	992,921	(550,000)	(1,575,758)
	-----	-----	-----	-----

27. Related party transactions

Group

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

	Transaction value		Balance owed by/(owed to)	
	2017	2016	2017	2016
	£	£	£	£
Sales and recharges to related company - Apollo Roofing Solutions Limited	4,010,138	3,045,593	—	—
Amounts due from related company Apollo Roofing Solutions Limited	—	—	805,573	1,346,252
Sales and recharges due to related company Apollo Construction Limited	3,780,171	—	—	—
Amounts due from related company Apollo Construction Limited	—	—	1,015,993	—

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 £42,500 (2016 £42,500).

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