

COMPANY REGISTRATION NUMBER: 4977152

Apollo Chemicals Group Limited

Financial Statements

30 April 2020

Apollo Chemicals Group Limited

Financial Statements

Year ended 30 April 2020

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Apollo Chemicals Group Limited

Officers and Professional Advisers

The board of directors	Mr J.H. Saunders Mr P. Turton (Director of Raleigh Adhesive Coatings Limited) Mr I. Cornelius (Director of Apollo Chemicals Limited) Mrs G. Saunders
Company secretary	Mrs C. Saunders
Registered office	Ashford House 95 Dixons Green Dudley West Midlands
Auditor	Ronald Shaw & Co Chartered accountants & statutory auditor Ashford House 95 Dixons Green Dudley West Midlands 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 2020

The directors present their Strategic Report for the year ended 30th April 2020. Principal activities, review of the business, future development and key performance indicators 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.

	2020	2019
	£	£
Turnover from continuing operations	33,488,719	36,575,119
Operating profit	1,787,073	3,239,095

The directors consider the state of affairs of the Group to be satisfactory for the year and the outlook for the business to be favourable. The directors continue to focus on its vision by building long-term partnerships, adding value and building trust. By maintaining the management policies which have resulted in strong financial performance in recent years they will continue to add value across the supply chain, which is communicated via their brand promise 'more than adhesives'. They consider that although the year ahead appears challenging, they will maintain their current levels of performance, quality of service, and product development through smart investment in people and facilities.

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. The spread of the performance Covid-19 has resulted in restrictions in the supply chain and reinforced the primary goal of the group to ensure the safety of its employees. Official advice on the length and severity of the measures to combat the Coronavirus is uncertain but there is likely to be an impact to forecast revenues and profitability as all areas of the supply and demand cycle are affected. However, due to the Group's diverse product range and continual product development, we do not feel there will be any material affect on Apollo Chemicals Group Limited or its subsidiaries in the next 12 months.

This report was approved by the board of directors on 22 January 2021 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 2020

The directors present their report and the financial statements of the group for the year ended 30 April 2020 .

Directors

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

Mr J.H. Saunders

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

Mr I. Cornelius (Director of Apollo Chemicals Limited)

Mrs G. Saunders

Mr J.H. Saunders and Mr P. Turton resigned from Raleigh Adhesive Coatings Limited on 20th November 2020.

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 28 to the financial statements.

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 £2,500 (2019 £2,182)

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 22 January 2021 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 2020

Opinion

We have audited the financial statements of Apollo Chemicals Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2020 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, 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 group's and of the parent company's affairs as at 30 April 2020 and of the group's 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 group 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

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 group's or the parent 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 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 our 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 group's and the parent 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 group or the parent 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. 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 group's 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 group's or the parent 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 group or the parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. 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

25 January 2021

Apollo Chemicals Group Limited

Consolidated Statement of Comprehensive Income

Year ended 30 April 2020

		2020	2019
	Note	£	£
Turnover	4	33,488,719	36,575,119
Change in stocks of finished goods and in work in progress		(14,122)	(1,953)
		<u>33,474,597</u>	<u>36,573,166</u>
Raw material and consumables		18,765,558	20,878,561
Other external charges		941,358	783,371
Staff costs	7	7,855,739	7,336,256
Depreciation and other amounts written off tangible and intangible fixed assets		463,710	512,524
Other operating expenses		3,661,160	3,823,359
		<u>1,787,072</u>	<u>3,239,095</u>
Operating profit	5	1,787,072	3,239,095
Other interest receivable and similar income	9	97	1,781
Interest payable and similar expenses	10	104,167	99,970
		<u>1,683,002</u>	<u>3,140,906</u>
Profit before taxation		1,683,002	3,140,906
Tax on profit	11	(11,400)	327,317
		<u>1,694,402</u>	<u>2,813,589</u>
Profit for the financial year and total comprehensive income		1,694,402	2,813,589
Profit for the financial year attributable to:			
The owners of the parent company		1,699,527	2,842,827
Non-controlling interests		(5,125)	(29,238)
		<u>1,694,402</u>	<u>2,813,589</u>

All the activities of the group are from continuing operations.

Apollo Chemicals Group Limited
Consolidated Statement of Financial Position

30 April 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	12	4,997,082	4,974,210
Current assets			
Stocks	14	4,034,175	4,713,440
Debtors	15	5,381,900	7,433,580
Cash at bank and in hand		5,639,590	5,019,522
		15,055,665	17,166,542
Creditors: amounts falling due within one year	17	7,634,086	10,184,558
Net current assets		7,421,579	6,981,984
Total assets less current liabilities		12,418,661	11,956,194
Creditors: amounts falling due after more than one year	18	1,692,860	2,961,767
Provisions			
Taxation including deferred tax	20	65,022	28,050
Net assets		10,660,779	8,966,377
Capital and reserves			
Called up share capital	24	300	300
Share premium account	25	2,499,900	2,499,900
Capital redemption reserve	25	208,828	208,828
Profit and loss account	25	7,845,812	6,146,285
Equity attributable to the owners of the parent company		10,554,840	8,855,313
Non-controlling interests		105,939	111,064
		10,660,779	8,966,377

These financial statements were approved by the board of directors and authorised for issue on 22 January 2021 , 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 2020

		2020	2019
	Note	£	£
Fixed assets			
Investments	13	4,976,451	4,976,451
Current assets			
Cash at bank and in hand		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	24	300	300
Share premium account	25	2,499,900	2,499,900
Profit and loss account	25	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 (2019: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 22 January 2021 ,
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 2020

	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 2018	300	2,499,900	208,828	3,303,458	6,012,486	140,302	6,152,788
Profit for the year	---	-----	-----	2,842,827	2,842,827	(29,238)	2,813,589
Total comprehensive income for the year	---	-----	-----	2,842,827	2,842,827	(29,238)	2,813,589
At 30 April 2019	300	2,499,900	208,828	6,146,285	8,855,313	111,064	8,966,377
Profit for the year	---	-----	-----	1,699,527	1,699,527	(5,125)	1,694,402
Total comprehensive income for the year	---	-----	-----	1,699,527	1,699,527	(5,125)	1,694,402
At 30 April 2020	300	2,499,900	208,828	7,845,812	10,554,840	105,939	10,660,779

Apollo Chemicals Group Limited

Company Statement of Changes in Equity

Year ended 30 April 2020

Apollo Chemicals Group Limited

Company Statement of Changes in Equity

Year ended 30 April 2020

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 May 2018	300	2,499,900	2,500,058	5,000,258
Profit for the year			—	—
At 30 April 2019	300	2,499,900	2,500,058	5,000,258
Profit for the year			—	—
At 30 April 2020	300	2,499,900	2,500,058	5,000,258

Apollo Chemicals Group Limited

Consolidated Statement of Cash Flows

Year ended 30 April 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the financial year		1,694,402	2,813,589
<i>Adjustments for:</i>			
Depreciation of tangible assets		475,490	445,937
Other interest receivable and similar income		(97)	(1,781)
Interest payable and similar expenses		104,167	99,970
(Gains)/loss on disposal of tangible assets		(11,780)	66,587
Tax on profit		(11,400)	327,317
Accrued income		(67,641)	(41,900)
<i>Changes in:</i>			
Stocks		679,265	(1,060,693)
Trade and other debtors		2,051,680	754,284
Trade and other creditors		(2,879,095)	(2,565,923)
Cash generated from operations		2,034,991	837,387
Interest paid		(104,167)	(99,970)
Interest received		97	1,781
Tax received/(paid)		42,297	(604,038)
Net cash from operating activities		1,973,218	135,160
Cash flows from investing activities			
Purchase of tangible assets		(498,362)	(1,642,325)
Proceeds from sale of tangible assets		11,780	–
Net cash used in investing activities		(486,582)	(1,642,325)
Cash flows from financing activities			
Proceeds from borrowings		(1,551,630)	516,825
Payments of finance lease liabilities		(191,980)	485,134
Net cash (used in)/from financing activities		(1,743,610)	1,001,959
Net decrease in cash and cash equivalents		(256,974)	(505,206)
Cash and cash equivalents at beginning of year		3,912,377	4,417,583
Cash and cash equivalents at end of year	16	3,655,403	3,912,377

Apollo Chemicals Group Limited

Notes to the Financial Statements

Year ended 30 April 2020

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.

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.

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:

	2020	2019
	£	£
Sale of goods	33,488,719	36,575,119

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:

	2020	2019
	£	£
United Kingdom	32,276,608	34,607,982
Overseas	1,212,111	1,967,137
	<u>33,488,719</u>	<u>36,575,119</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
(Gains)/loss on disposal of tangible assets	(11,780)	66,587
Impairment of trade debtors	3,787	(9,214)
Operating lease rentals	456,101	453,232
Depreciation on tangible fixed assets	562,316	251,605
Depreciation on tangible fixed assets held under hire purchase	388,664	194,332
Exchange differences	(6,507)	919
	<u></u>	<u></u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	18,000	17,000
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:

	2020	2019
	No.	No.
Production staff	159	164
Administrative staff	36	39
Management staff	3	3
Number of technical staff	17	22
	<u>215</u>	<u>228</u>
	<u></u>	<u></u>

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

	2020	2019
	£	£
Wages and salaries	6,735,419	6,330,181
Social security costs	832,930	663,793
Other pension costs	287,390	342,282
	<u>7,855,739</u>	<u>7,336,256</u>
	<u></u>	<u></u>

8. Directors' remuneration

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

	2020	2019
	£	£
Remuneration	731,535	749,622

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

	2020	2019
	£	£
Aggregate remuneration	474,459	472,840

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	97	1,781

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on banks loans and overdrafts	77,744	77,931
Interest on obligations under finance leases and hire purchase contracts	26,423	22,039
	104,167	99,970

11. Tax on profit

Major components of tax income

	2020	2019
	£	£

Current tax:

UK current tax income	98,134	206,075
Adjustments in respect of prior periods	(146,506)	136,587
Total current tax	(48,372)	342,662

Deferred tax:

Origination and reversal of timing differences	36,972	(15,345)
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Tax on profit

(11,400)	327,317
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Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19 % (2019: 19 %).

	2020	2019
	£	£
Profit on ordinary activities before taxation	1,683,002	3,140,906
Profit on ordinary activities by rate of tax	319,770	596,772
Adjustment to tax charge in respect of prior periods	(146,506)	259,978
Effect of expenses not deductible for tax purposes	3,885	6,017
Effect of capital allowances and depreciation	(188,549)	(195,601)
Unused tax losses	—	60,813
Adjustment in respect of prior periods	—	(400,662)
Tax on profit	(11,400)	327,317

12. Tangible assets

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 May 2019	418,671	3,740,201	8,978,812	652,634	132,302	13,922,620
Additions	–	15,080	142,796	340,486	–	498,362
Disposals	–	–	–	–	(70,517)	(70,517)
At 30 Apr 2020	418,671	3,755,281	9,121,608	993,120	61,785	14,350,465
Depreciation						
At 1 May 2019	83,742	333,677	7,783,199	615,490	132,302	8,948,410
Charge for the year	4,187	42,176	369,984	59,143	–	475,490
Disposals	–	–	–	–	(70,517)	(70,517)
At 30 Apr 2020	87,929	375,853	8,153,183	674,633	61,785	9,353,383
Carrying amount						
At 30 Apr 2020	330,742	3,379,428	968,425	318,487	–	4,997,082
At 30 Apr 2019	334,929	3,406,524	1,195,613	37,144	–	4,974,210

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 2020	583,527
At 30 April 2019	774,859

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 May 2019 and 30 April 2020	4,976,451
Impairment	
At 1 May 2019 and 30 April 2020	–
Carrying amount	
At 1 May 2019 and 30 April 2020	4,976,451
At 30 April 2019	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	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	3,088,026	3,753,169	—	—
Finished goods and goods for resale	946,149	960,271	—	—
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	4,034,175	4,713,440	—	—
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15. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	4,314,618	5,698,463	—	—
Prepayments and accrued income	222,515	201,209	—	—
Corporation tax repayable	227,388	—	—	—
Amount due from Apollo Roofing Solutions Limited	399,990	431,252	—	—
Amount due from Apollo Construction Solutions Limited	28,273	1,100,578	—	—
Other debtors	189,116	2,078	—	—
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	5,381,900	7,433,580	—	—
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16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2020	2019
	£	£
Cash at bank and in hand	5,639,590	5,019,522
Bank overdrafts	(1,984,187)	(1,107,145)
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	3,655,403	3,912,377
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17. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	2,077,520	1,300,478	—	—
Trade creditors	3,201,717	5,836,459	—	—
Accruals and deferred income	295,082	362,723	—	—
Corporation tax	—	6,075	—	—
Social security and other taxes	636,115	681,318	—	—
Obligations under finance leases and hire purchase contracts	198,825	191,898	—	—
Director loan accounts	906,834	1,288,464	—	—
Other creditors	317,993	517,143	—	—
	7,634,086	10,184,558	—	—

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 18.

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	1,236,667	2,306,667	—	—
Obligations under finance leases and hire purchase contracts	456,193	655,100	—	—
	1,692,860	2,961,767	—	—

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 £863,333 (2019 £1,533,333).

19. Finance leases and hire purchase contracts

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	198,825	191,898	—	—
Later than 1 year and not later than 5 years	456,193	655,100	—	—
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	655,018	846,998	—	—
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20. Provisions

Group	Deferred tax (note 21) £
At 1 May 2019	28,050
Additions	45,247
Charge against provision	(8,275)

At 30 April 2020	65,022

The company does not have any provisions.

21. Deferred tax

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in provisions (note 20)	65,022	28,050	—	—
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The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	65,022	28,050	—	—
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22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 287,390 (2019: £ 342,282).

23. 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	
	2020	2019
	£	£
Trade debtors	4,314,618	5,698,463
Other debtors	839,894	1,735,117
Cash at bank in hand	3,631,596	3,888,570
	8,786,108	11,322,150

Financial liabilities measured at amortised cost

	Group	
	2020	2019
	£	£
Bank loans and overdrafts	1,330,000	2,500,000
Trade creditors	3,201,717	6,376,459
Other creditors	2,063,390	2,854,270
Finance leases	655,018	846,998
Provisions	68,022	28,050
	7,318,147	12,605,777

24. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 1 each	300	300	300	300

25. Reserves

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

26. Analysis of changes in net debt

	At 1 May 2019	Cash flows	At 30 Apr
			2020
	£	£	£
Cash at bank and in hand	5,019,522	620,068	5,639,590
Bank overdrafts	(1,107,145)	(877,042)	(1,984,187)
Debt due within one year	(1,673,695)	474,703	(1,198,992)
Debt due after one year	(2,961,767)	1,268,907	(1,692,860)
	(723,085)	1,486,636	763,551

Apollo Chemicals Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2020

27. Operating leases

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	137,683	147,424	—	—
Later than 1 year and not later than 5 years	113,042	127,506	—	—
Later than 5 years	117,250	108,126	—	—
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	367,975	383,056	—	—
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28. Events after the end of the reporting period

On 20th November 2020 the subsidiary company, Raleigh Adhesive Coatings Limited together with its entire share capital was sold. Subsequently, the company is no longer part of the group.

29. Directors' advances, credits and guarantees

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

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr J.H. Saunders	(1,288,464)	381,630	—	(906,834)
	-----	-----	----	-----
	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr J.H. Saunders	(1,525,882)	562,418	(325,000)	(1,288,464)
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30. Related party transactions

Group

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

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Sales and recharges to related company - Apollo Roofing Solutions Limited	7,572,220	8,691,845	–	–
Amounts due from related company Apollo Roofing Solutions Limited	–	–	399,990	431,252
Sales and recharges due to related company Apollo Construction Solutions Limited	2,959,301	5,230,956	–	–
Amounts due from related company Apollo Construction Solutions Limited	–	–	28,273	1,100,578

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 (2019 £42,500).

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