

Company No. 1129631

APEX LIFT & ESCALATOR ENGINEERS LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005



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COMPANIES HOUSE 31/03/2006

18 MELBOURNE GROVE
LONDON, SE22 8RA

K.A. JEFFRIES & COMPANY
CHARTERED ACCOUNTANTS

APEX LIFT & ESCALATOR ENGINEERS LIMITED

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APEX LIFT & ESCALATOR ENGINEERS LIMITED

OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31ST AUGUST 2005

DIRECTORS

A.R. Jenchner
W. Jenchner
E.L. Jenchner
L. A. Hughes
R. Braxton
D. H. Constable
M. R. Holderness
G. L. Poynter
K. Wakefield

COMPANY SECRETARY

E.L. Jenchner

REGISTERED OFFICE

Apex House
Lefa Business Park
Edgington Way
Sidcup
Kent DA14 5BH

BANKERS

National Westminster Bank Plc,
95 Tottenham Court Road,
London, W1A 3AJ

AUDITORS

K.A. Jeffries & Company,
Chartered Accountants,
18 Melbourne Grove,
London, SE22 8RA

APEX LIFT & ESCALATOR ENGINEERS LIMITED
DIRECTORS' REPORT

The directors submit their report, together with the audited financial statements of the company for the year ended 31st August 2005.

Principal activities

The company operated as lift and escalator engineers within the United Kingdom.

Business review

The directors consider that the results for the year and the financial position at the year end to be satisfactory with profits being maintained in the current year.

The company continued to act by Royal Warrant as a supplier to H.M. The Queen.

Dividend

The directors propose a final dividend of £32,000 on the 'B' 10p ordinary shares.

Proposed transfer to reserves

The proposed transfer to reserves is detailed on note 15 of the financial statements.

Fixed assets

Movements in fixed assets are summarised in note 9 to the financial statements.

Directors

The directors who served during the year and their interests in the shares of the company of those serving at the end of the year were as follows: -

	<u>'A' £1 Ordinary Shares</u>		<u>'B' 10p. Ordinary Shares</u>	
	<u>At 31.8.2005</u>	<u>At 31.8.2004</u>	<u>At 31.8.2005</u>	<u>At 31.8.2004</u>
A.R. Jenchner	800	800	1500	1500
W. Jenchner	200	200	1500	1500
Mrs. E. L. Jenchner	200	200	1500	1500
Mrs. L. A. Hughes	-	-	500	500
R. Braxton (appointed 1.7.2005)	-	-	200	-
D. H. Constable (appointed 1.7.2005)	-	-	200	-
M. R. Holderness (appointed 1.7.2005)	-	-	200	-
G. L. Poynter (appointed 1.7.2005)	-	-	200	-
Ms. K. Wakefield (appointed 1.7.2005)	-	-	200	-
	<hr/>	<hr/>	<hr/>	<hr/>

APEX LIFT & ESCALATOR ENGINEERS LIMITED
DIRECTORS' REPORT

Directors continued

The director retiring by rotation is Mrs. E. L. Jenchner and being eligible offers herself for re-election.

Mr. R. Braxton, Mr. D. H. Constable, Mr. M. R. Holderness, Mr. G. L. Poynter and Ms. K. Wakefield having been appointed directors since the last Annual General Meeting will retire and stand for election at the forthcoming Annual General Meeting.

Political and charitable donations

During the year the company has made the following contributions: -

Charitable purposes

	<u>2005</u>	<u>2004</u>
	£	£
United Kingdom charitable organisations -	300	453
	<u> </u>	<u> </u>

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

The auditors, K.A. Jeffries & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 6 March 2006.

Signed by order of the board of directors:

.....*E.L. Jenchner*.....

E.L. JENCHNER
COMPANY SECRETARY

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
APEX LIFT & ESCALATOR ENGINEERS LIMITED**

We have audited the financial statements of Apex Lift & Escalator Engineers Limited for the year ended 31 August 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 3 in the directors' report the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

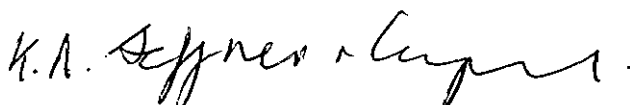
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st August 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



K. A. JEFFRIES & COMPANY
Chartered Accountants & Registered Auditors

18 Melbourne Grove
London, SE22 8RA

Date: *6th March* 2006

APEX LIFT & ESCALATOR ENGINEERS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2005

	Notes	<u>2005</u> £	<u>2004</u> £
Turnover	1.3	9842177	8741388
Cost of sales		(7266132)	(6516393)
Gross profit		<u>2576045</u>	<u>2224995</u>
Net operating expenses	2	(2167543)	(1924259)
Operating profit	3	<u>408502</u>	<u>300736</u>
Interest receivable		19260	23273
Interest payable	4	(7644)	(9583)
Profit on ordinary activities before taxation		<u>420118</u>	<u>314426</u>
Taxation on profit on ordinary activities	7	(119429)	(80637)
Profit on ordinary activities after taxation being the profit for the financial year		<u>300689</u>	<u>233789</u>
Dividends payable	8	(32000)	(200000)
Retained profit for the year	15	<u>268689</u>	<u>33789</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit and loss account for the above two financial years.

The notes on pages 9 to 16 form part of these financial statements.

APEX LIFT & ESCALATOR ENGINEERS LIMITED

BALANCE SHEET

AT 31ST AUGUST 2005

	Notes	<u>2005</u> £	<u>2004</u> £
Fixed Assets			
Tangible assets	9	185923	207314
Current Assets			
Stocks	10	481376	489547
Debtors	11	2443361	1445868
Cash at bank and in hand		459309	797785
		<u>3384046</u>	<u>2733200</u>
Creditors: Amounts falling due within one year	12	(2004223)	(1663870)
Net current assets		<u>1379823</u>	<u>1069330</u>
Total assets less current liabilities		<u>1565746</u>	<u>1276644</u>
Provisions for liabilities	13	(20313)	-
		<u>1545433</u>	<u>1276644</u>
Capital and Reserves			
Called up share capital	14	1800	1700
Share premium account	15	5981	5981
Capital redemption reserve	15	800	800
Profit and loss account	15	1536852	1268163
Shareholders funds	16	<u>1545433</u>	<u>1276644</u>

The financial statements have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to medium sized companies.

The board of directors approved these financial statements

On 6th March 2006

and were signed on behalf of the board by:

.....  Director  Director
A.R. JENCHNER W. JENCHNER

The notes on pages 9 to 16 form part of these financial statements

APEX LIFT & ESCALATOR ENGINEERS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2005

	<u>2005</u>		<u>2004</u>
	£	£	£
Cash outflow/inflow			
from operating activities (Page 8)	(232742)		366001
Returns on investment and servicing			
of finance			
Interest received	19260	23273	
Interest paid	(7644)	(9583)	
	—	—	
Net cash inflow from			
returns on investment and			
servicing of finance	11616		13690
Taxation			
U. K. Corporation Tax paid	(80637)	(81285)	
	—	—	
Net cash outflow from taxation	(80637)		(81285)
Capital expenditure and financial			
investment			
Purchase of tangible fixed assets	(36813)	(26696)	
Sale of tangible fixed assets	-	15450	
	—	—	
Net cash outflow from capital			
expenditure and financial			
investment	(36813)		(11246)
Dividends paid	-		(200000)
Financing			
Issue of share capital	100	-	
	—	—	
Net cash inflow from financing	100		-
Decrease/Increase in cash in the year	(338476)		87160
<u>Reconciliation of net cash flow to movement in debt</u>			
Decrease/Increase in cash in the year	(338476)		87160
Change in net debt resulting from cash flows	(338476)		87160
Net debt at 1st September 2004	797785		710625
	—		—
Net debt at 31st August 2005	439309		797785
	—		—

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES

(forming part of the Cash Flow Statement)

Reconciliation of operating profit to operating cash flow

	<u>2005</u>	<u>2004</u>
	£	£
Operating profit	408502	300736
Depreciation charges	58204	63861
Increase/Decrease in stocks	8171	(196406)
Increase in debtors	(997493)	(63572)
Increase in creditors	289874	261382
Cash outflow/inflow	(232742)	366001
	<u> </u>	<u> </u>

Analysis of cash and net debt

	At 1st September 2004	Cash Flow	At 31st August 2005
	£	£	£
Cash in hand and at bank	797785	(338476)	459309
	<u> </u>	<u> </u>	<u> </u>

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

1. Accounting Policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention.

1.2 Change in accounting practice

U. I. T. F. Abstract 40 issued by the Accounting Standards Board changes the previously recognised accounting practice of recording company's partly completed contracts. Any change of this nature requires last year's figures to be retrospectively restated. Due to records not being available to assess contract completion and burden on the company, the directors are unable to reliably estimate the restatement.

Using previously recognised methods of accounting, the profits before taxation for the current and comparative year were £318551 and £314426. The current year's profits on the revised basis adopting U.I.T.F. 40 Abstract is £420118. The comparative and current years profits have been calculated using different accounting rules and consequently in the opinion of the directors they are not an accurate reflection of the profits, nor a basis on which analytical review of comparatives can be assessed. The balance sheet has been drawn up using the revised rules and consequently will form the basis for future years profits.

The Directors acknowledge their obligation to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. For the reasons noted above the directors have been unable to comply with the requirements set out in U.I.T.F. Abstract 40.

1.3 Turnover

Turnover represents the amounts receivable for the invoiced value of goods and services supplied by the company excluding value added tax plus revenues on partially completed contents where there is a right to consideration.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

The cost of fixed assets is written off in annual instalments over their expected useful lives as follows:-

Short leasehold property	- straight line basis over the period of lease
Plant and fixtures	- 25% per annum reducing balance
Motor vehicles	- 25% per annum reducing balance

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST AUGUST 2005**

1.5 Hire purchase

Assets acquired by hire purchase and similar finance leases are capitalised and depreciated in line with other assets of a similar nature. The capital element of future payments is treated as a liability and the interest element is charged to profit and loss account on a straight line basis.

1.6 Leases

All leases are operating leases and the rentals are charged to the profit and loss account in the period in which they were incurred.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value by the directors. Work in progress comprises materials, direct labour and an appropriate proportion of production overheads.

The basis of valuation of long-term contracts is shown in note 1.9 below.

1.8 Taxation

The tax charge is based on the profit for the year. Provision has been made for deferred taxation on spread relief to be claimed on the increase in profits resulting from the adoption of the change in accounting practice set out in note 1.2.

1.9 Long term contracts

Profit on long term contracts is recognised when work completed is billed to customers. The directors consider that this treatment of attributable profits, which represents a departure from statement of standard accounting practice number 9, is necessary to show a true and fair view. This basis of accounting practice has been consistent for many years. In accordance with U.I.T.F. Abstract 40 revenue has also been recognised on partially completed contracts where there is a right to consideration.

1.10 Pension costs

Contributions in respect of the company's defined contribution schemes are charged to the profit and loss account for the year in which they are payable to the schemes.

2. Net operating expenses

	<u>2005</u>	<u>2004</u>
	£	£
Administrative expenses	2167543	1924259

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

3. **Operating profit**

	<u>2005</u>	<u>2004</u>
	£	£
This is stated after charging:-		
Loss on disposal of tangible fixed assets	-	2117
Depreciation of tangible fixed assets	58204	61744
Hire of plant and machinery	44531	61835
Operating lease rentals land & buildings	86667	80000
Other operating lease rentals	143301	139399
Auditors remuneration	9200	8800
	<hr/>	<hr/>

4. **Interest payable**

	<u>2005</u>	<u>2004</u>
	£	£
On other loans	7644	9583
	<hr/>	<hr/>

5. **Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year was as follows:-

	<u>2005</u>	<u>2004</u>
	Number	Number
Installation, breakdown & maintenance	54	53
Administration and sales	24	22
	<hr/>	<hr/>
	78	75
	<hr/>	<hr/>

The aggregate payroll of these persons were as follows:-

	<u>2005</u>	<u>2004</u>
	£	£
Wages and salaries	2555938	2377186
Social security costs	295287	274374
Pension costs - staff	12340	17701
" " - directors	28751	33515
	<hr/>	<hr/>
	2892316	2702776
	<hr/>	<hr/>

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

6. Remuneration of directors

	<u>2005</u>	<u>2004</u>
	£	£
Emoluments	284224	239792
Contributions into money purchase schemes	28751	33515
	<u>312975</u>	<u>273307</u>

During the year retirement benefits were accruing to five directors (2004-1) in respect of money purchase schemes.

The above details include the following amounts in respect of the highest paid director.

	<u>2005</u>	<u>2004</u>
	£	£
Emoluments	108932	103174
Contributions into money purchase schemes	27600	33515

7. Tax on profit on ordinary activities

	<u>2005</u>	<u>2004</u>
	£	£
Current tax		
U. K. Corporation Tax		
Current year	99116	80637
Deferred tax	<u>20313</u>	<u>-</u>
	<u>119429</u>	<u>80637</u>

Corporation tax has been computed at 23.13% (2004 – 21.67%). Deferred tax has been computed at 30%.

The difference between the total current tax and the amount calculated by applying the standard rate of U. K. corporation tax to the profit before tax is as follows: -

	<u>2005</u>	<u>2004</u>
	£	£
Profit on ordinary activities before tax	420118	314426
	<u> </u>	<u> </u>
Tax on profit on ordinary activities at standard U. K. corporation tax rate of 30%	126035	94328
Effect of:		
Marginal relief	(29464)	(31015)
Expenses not deductible for tax purposes	18736	12777
Depreciation in excess of capital allowances	4122	4547
Current tax charge for period	<u>119429</u>	<u>80637</u>

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

8.	<u>Dividends</u>	<u>2005</u>	<u>2004</u>
		£	£
	Proposed dividend on the 'B' ordinary shares.	32000	200000
		=====	=====

9. **Tangible fixed assets**

	Short Leasehold Property	Plant & Fixtures	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1st September 2004	67783	391981	118227	577991
Additions at cost	-	16913	19900	36813
Disposals	-	-	-	-
 At 31 st August 2005	 67783	 408894	 138127	 614804
 Depreciation				
At 1 st September 2004	29372	288267	53038	370677
Charge for the year	6778	30156	21270	58204
Disposals	-	-	-	-
 At 31 st August 2005	 36150	 318423	 74308	 428881
 Net book value				
At 31 st August 2005	31633	90471	63819	185923
 At 31 st August 2004	 38411	 103714	 65189	 207314

APEX LIFT & ESCALATOR ENGINEERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

10. **Stocks**

	<u>2005</u>	<u>2004</u>
	£	£
Raw materials	29240	25868
Work in progress	452136	463679
	<u>481376</u>	<u>489547</u>

11. **Debtors: Amounts falling due within one year**

	<u>2005</u>	<u>2004</u>
	£	£
Trade debtors	1915977	1077109
Prepayments and accrued income	213352	354982
Other debtors	212	13778
Amounts due under contracts	313820	-
	<u>2443361</u>	<u>1445869</u>

12. **Creditors: Amounts falling due within one year**

	<u>2005</u>	<u>2004</u>
	£	£
Trade creditors	1283822	995958
Corporation tax	99116	80637
Other tax and social security costs	313331	175010
Other creditors	133864	127337
Accruals and deferred income	174090	284928
	<u>2004223</u>	<u>1663870</u>

13. **Provisions for liabilities**

	<u>2005</u>	<u>2004</u>
	£	£
Deferred tax		
Balance at 1 st September 2004	-	-
Amount charged to profit and loss account	<u>20313</u>	-
Balance at 31 August 2005	<u>20313</u>	-

14. **Called up share capital**

	<u>2005</u>	<u>2004</u>
	£	£
Authorised:		
5000 A Ordinary shares of £1 each	5000	5000
10000 B Ordinary shares of 10p each (non voting)	<u>1000</u>	<u>1000</u>
	<u>6000</u>	<u>6000</u>

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

Called up share capital continued.

	<u>2005</u>	<u>2004</u>
	£	£
Allotted, called up and fully paid:		
1200 A Ordinary shares of £1 each	1200	1200
6000 B Ordinary shares of 10p each (non voting)	600	500
	<u>1800</u>	<u>1700</u>

1000 'B' ordinary shares of 10p each were allotted during the year for a consideration of £100.

15. **Reserves**

	<u>2005</u>	<u>2004</u>
	£	£
<u>Share premium account</u>		
Balance at 1st September 2004	5981	5981

Profit and loss account

Balance at 1st September 2004	1268163	1234374
Retained profit for the year	268689	33789
Balance at 31st August 2005	<u>1536852</u>	<u>1268163</u>

Capital redemption reserve

	<u>2005</u>	<u>2004</u>
	£	£
Balance at 1 st September 2004	800	800

16. **Reconciliation of movements on shareholders funds**

	<u>2005</u>	<u>2004</u>
	£	£
Opening shareholders funds at 1 st September 2004	1276644	1242855
Profit for the year after taxation	300689	233789
Shares issued	100	-
Dividend proposed (paid)	(32000)	(200000)
Closing shareholders funds at 31 st August 2005	<u>1545433</u>	<u>1276644</u>

APEX LIFT & ESCALATOR ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2005

17. Operating lease commitments

The company had commitments under operating leases for the following year as follows:-

	<u>Land & Buildings</u>		<u>Other</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
Operating leases which expire:-				
Within one year		-	13371	8429
After one year but within five years	100000		83164	99939
Over five years	-	80000	-	-
	<u>100000</u>	<u>80000</u>	<u>96535</u>	<u>108368</u>

18. Pension commitments

The company operates defined contribution pension schemes for its directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

19. Capital commitments

Capital expenditure authorised by the directors at 31st August 2005 but not provided in these financial statements was £Nil (2004 - £Nil).

20. Contingent liabilities

There were no contingent liabilities at 31st August 2005 (2004 - £Nil).

21. Disclosure of control and related party transactions

The company is controlled by Mr. A. R. Jenchner.

Mr. W. Jenchner controls Apex Lift Services Limited which has not commenced trading.

Mr. W. Jenchner and Mrs. E. L. Jenchner control Apex Lifts Limited which has not commenced trading.

There were no related party transactions during the year.