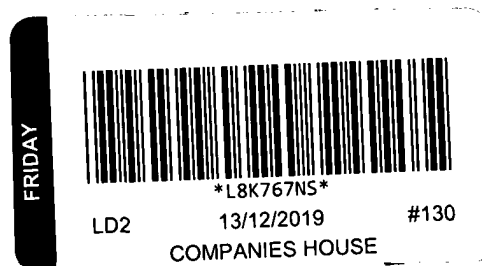


Registration number: 01129631

Apex Lift & Escalator Engineers Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2019



Apex Lift & Escalator Engineers Limited

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Apex Lift & Escalator Engineers Limited

Company Information

Directors W Jenchner
E L Jenchner
G L Poynter
L A Hughes
K T Warnock

Company secretary E L Jenchner

Registered office Art's House
Banks Lane
BEXLEYHEATH
Kent
DA6 7BH

Auditors McBrides Accountants LLP
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Apex Lift & Escalator Engineers Limited

Strategic Report for the Year Ended 31 August 2019

The directors present their strategic report for the year ended 31 August 2019.

Principal activity

The company continued to operate as lift and escalator engineers within the United Kingdom.

Fair review of the business

The company continues to be one of the largest independent lift businesses serving London and the South East, maintaining its focus on delivery of high-quality lift installations, repairs and maintenance services.

Whilst turnover remained in line with the previous year, the directors were pleased to report a significant improvement in profitability. This was achieved despite challenging market conditions in some sectors of the industry.

In the lift maintenance sector, we continued to see the pattern set several years ago, where new and repeat business is mostly price focused. The company's strategy however continues to be one of resisting the low-priced market and remain focused on provision of high-quality service at a reasonable price.

Increased activity in the lift refurbishment market during the summer of 2018 continued through to 2019 resulting in levels of new orders not experienced for several years. The installation market remains buoyant across both public and private sectors. We believe that our rising reputation for installing high quality lift projects remains a key factor in this success. Tight fiscal management, technical expertise and efficient sourcing of components resulted in improved operating margins. The outlook for next year is positive, with a full order book and a continuing high level of sales enquiries.

The lift repairs activity continued at similar levels to last year but with slightly improved margins.

Overall company turnover is expected to increase next year driven by growth in the installation projects.

A strong balance sheet and close monitoring of working capital remain key financial objectives for the business. This was reflected in net assets of £4.438m for the year. Cash and working capital remained positive through the year facilitating the funding of work-in-progress of high value construction projects that arise from time to time.

Key performance indicators

The company's key financial performance indicators during the year were as follows:

- Turnover remained similar to 2018, ending at £16,443,444.
- Gross profit increased by £230,982 on 2018 to £3,700,208.
- Profit before tax increased by 65% on 2018 to £416,350.
- Profit after tax improved ending at £342,258 for the year (2018: £194,729).

Apex Lift & Escalator Engineers Limited

Strategic Report for the Year Ended 31 August 2019

Principal risks and uncertainties

Commercial Risks

The directors review the environments in which the company operates to reduce the commercial risk to the business.

Health and Safety is the top priority of the management team. The company constantly assesses risk management and promotes a culture of collaboration with its employees to improve safety awareness by holding regular safety forums.

Financial Risk

The directors are aware of the impact on the business if a large customer was to encounter financial difficulties as can happen in the construction industry and reserves are held to mitigate these effects in the first instance. The company continues to perform financial checks before entering large contracts with new clients and ensures staged payments are made at regular intervals to reduce financial risk. Existing clients' financial circumstances are continuously monitored using third party web-based applications.

Approved by the Board on 2/12/19 and signed on its behalf by:



W Jenchner
Director

Apex Lift & Escalator Engineers Limited

Directors' Report for the Year Ended 31 August 2019

The directors present their report and the financial statements for the year ended 31 August 2019.

Directors of the company

The directors who held office during the year were as follows:

W Jenchner

E L Jenchner - Company secretary and director

G L Poynter

L A Hughes

K T Warnock

Dividends

The directors do not recommend payment of a final dividend.

Financial instruments

Objectives and policies

The company's principal financial instruments are trade debtors and trade creditors arising directly from operations.

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Price risk, credit risk, liquidity risk and cash flow risk

The company operates a treasury function which is responsible for managing the liquidity and interest risks associated with its operations.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its borrowings and loans.

Future developments

The company is expected to operate within the scope of its existing activities for the foreseeable future.

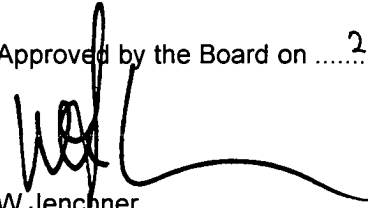
Apex Lift & Escalator Engineers Limited

Directors' Report for the Year Ended 31 August 2019

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on2/12/19..... and signed on its behalf by:



W Jenner
Director

Apex Lift & Escalator Engineers Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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.

Apex Lift & Escalator Engineers Limited

Independent Auditor's Report to the Members of Apex Lift & Escalator Engineers Limited

Opinion

We have audited the financial statements of Apex Lift & Escalator Engineers Limited (the 'company') for the year ended 31 August 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Apex Lift & Escalator Engineers Limited

Independent Auditor's Report to the Members of Apex Lift & Escalator Engineers Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Apex Lift & Escalator Engineers Limited

Independent Auditor's Report to the Members of Apex Lift & Escalator Engineers Limited

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.

McBrides Accountants LLP

Nick Paterno (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date: *6 December 2019*

Apex Lift & Escalator Engineers Limited

Profit and Loss Account for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Turnover	3	16,443,444	16,633,069
Cost of sales		<u>(12,743,236)</u>	<u>(13,163,843)</u>
Gross profit		3,700,208	3,469,226
Administrative expenses		(3,379,239)	(3,324,291)
Other operating income	4	<u>89,520</u>	<u>105,707</u>
Operating profit		410,489	250,642
Other interest receivable and similar income		<u>5,861</u>	<u>769</u>
Profit before tax		416,350	251,411
Taxation	9	<u>(74,092)</u>	<u>(56,682)</u>
Profit for the financial year		<u><u>342,258</u></u>	<u><u>194,729</u></u>

No Statement of Comprehensive Income has been presented as there is no movement through other comprehensive income for the year.

The notes on pages 14 to 28 form an integral part of these financial statements.

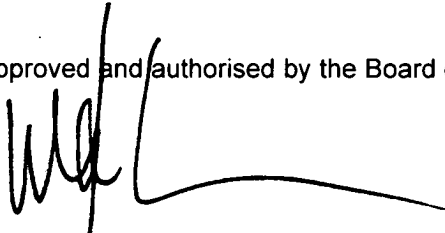
Apex Lift & Escalator Engineers Limited

(Registration number: 01129631)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	124,403	124,403
Tangible assets	11	277,774	53,952
Investments	12	3	3
		<u>402,180</u>	<u>178,358</u>
Current assets			
Stocks	13	844,361	666,515
Debtors	14	5,242,653	3,731,795
Cash at bank and in hand	15	2,175,144	2,496,100
		8,262,158	6,894,410
Creditors: Amounts falling due within one year	16	(4,189,575)	(2,856,951)
Net current assets		<u>4,072,583</u>	<u>4,037,459</u>
Total assets less current liabilities		4,474,763	4,215,817
Provisions for liabilities		(36,688)	-
Net assets		<u>4,438,075</u>	<u>4,215,817</u>
Capital and reserves			
Called up share capital	17	1,740	1,740
Share premium reserve		5,981	5,981
Capital redemption reserve		800	800
Retained earnings		4,429,554	4,207,296
Total equity		<u>4,438,075</u>	<u>4,215,817</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the Board on 2/12/19 and signed on its behalf by:


W Jenchner
Director

The notes on pages 14 to 28 form an integral part of these financial statements.

Apex Lift & Escalator Engineers Limited

Statement of Changes in Equity for the Year Ended 31 August 2019

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2018	1,740	5,981	800	4,207,296	4,215,817
Profit for the year	-	-	-	342,258	342,258
Total comprehensive income	-	-	-	342,258	342,258
Dividends	-	-	-	(120,000)	(120,000)
At 31 August 2019	1,740	5,981	800	4,429,554	4,438,075

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2017	1,740	5,981	800	4,012,567	4,021,088
Profit for the year	-	-	-	194,729	194,729
Total comprehensive income	-	-	-	194,729	194,729
At 31 August 2018	1,740	5,981	800	4,207,296	4,215,817

The notes on pages 14 to 28 form an integral part of these financial statements.

Apex Lift & Escalator Engineers Limited

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		342,258	194,729
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	76,299	101,673
Profit on disposal of property plant and equipment		(22,216)	(856)
Finance income		(5,861)	(769)
Corporation tax expense	9	<u>74,092</u>	<u>56,682</u>
		464,572	351,459
Working capital adjustments			
(Increase)/decrease in stock	13	(177,846)	546,405
(Increase)/decrease in trade and other debtors	14	(1,510,858)	486,555
Increase/(decrease) in trade and other creditors	16	<u>1,362,785</u>	<u>(477,735)</u>
Cash generated from operations		138,653	906,684
Corporation taxes (paid)/received	9	<u>(67,565)</u>	<u>152,026</u>
Net cash flow from operating activities		<u>71,088</u>	<u>1,058,710</u>
Cash flows from investing activities			
Interest received		5,861	769
Acquisitions of property plant and equipment		(305,204)	(12,391)
Proceeds from sale of property plant and equipment		<u>27,299</u>	<u>6,735</u>
Net cash flows from investing activities		(272,044)	(4,887)
Cash flows from financing activities			
Dividends paid	20	<u>(120,000)</u>	-
Net (decrease)/increase in cash and cash equivalents		(320,956)	1,053,823
Cash and cash equivalents at 1 September		<u>2,496,100</u>	<u>1,442,277</u>
Cash and cash equivalents at 31 August	15	<u><u>2,175,144</u></u>	<u><u>2,496,100</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The principal activity of the company is disclosed in the Strategic Report.

The address of its registered office and principal place of business is:

Art's House
Banks Lane
BEXLEYHEATH
Kent
DA6 7BH
England

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, Financial Reporting Standard 102 - 'The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Group accounts not prepared

The company has taken exemption from preparing group accounts as it is included in the consolidated accounts of a larger group.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Specifically, judgements and estimates are required in determining the useful economic lives of fixed assets, the valuation of long term contracts and the recoverability of trade debtors.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Long term contracts

Profit on long term contracts is recognised where a proportion of the contract has been achieved and there is a right to consideration.

Costs incurred on contracts where work has not been commenced and also on other contracts where there is no right to consideration are included as work in progress.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

Tax

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	20% and 25% straight line
Plant and machinery	25% straight line
Motor vehicles	25% reducing balance and 25% straight line

Research & development

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	Straight line over the period expected to benefit. Useful life to be determined on completion of project.

Investments

Investments in dormant subsidiaries are stated at cost less diminution in value.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

Recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs. Thereafter financial instruments are stated at amortised cost using the effective interest rate method (less impairment where appropriate) unless the effect of discounting would be immaterial in which case they are stated at cost (less impairment where appropriate). The exception to this are those financial instruments where it is a requirement to continue recording them at fair value through profit and loss.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade and other debtors

Trade and other debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment, except where the effect of discounting would be immaterial. In such cases debtors are stated at transaction price less impairment losses. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing it to its present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade and other creditors

Trade and other creditors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases creditors are stated at transaction price.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £	2018 £
Undertaking construction contracts	6,591,862	6,994,499
Rendering of services	9,851,582	9,638,570
	<u>16,443,444</u>	<u>16,633,069</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £	2018 £
Rental income	<u>89,520</u>	<u>105,707</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	76,299	101,673
Profit on disposal of property, plant and equipment	<u>(22,216)</u>	<u>(856)</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	2018
	£	£
Wages and salaries	4,969,274	4,640,054
Social security costs	544,494	531,467
Pension costs, defined contribution scheme	126,924	89,429
	<u>5,640,692</u>	<u>5,260,950</u>

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

	2019	2018
	No.	No.
Installation, breakdown & maintenance	76	75
Administration and support	41	38
	<u>117</u>	<u>113</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	610,853	521,835
Contributions paid to money purchase schemes	23,483	21,336
	<u>634,336</u>	<u>543,171</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019	2018
	No.	No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2019	2018
	£	£
Remuneration	<u>232,377</u>	<u>179,844</u>

The above also represents key management personnel compensation.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>11,950</u>	<u>11,950</u>

9 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	37,404	67,565
Deferred taxation		
Arising from origination and reversal of timing differences	<u>36,688</u>	<u>(10,883)</u>
Tax expense in the profit and loss account	<u>74,092</u>	<u>56,682</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>416,350</u>	<u>251,411</u>
Corporation tax at standard rate	79,107	47,768
Effect of expense not deductible in determining taxable profit (tax loss)	5,591	4,068
Deferred tax expense (credit) relating to changes in tax rates or laws	36,688	(10,883)
Tax increase (decrease) from effect of capital allowances and depreciation	(29,151)	15,729
Tax increase (decrease) from effect of adjustment in research and development	<u>(18,143)</u>	<u>-</u>
Total tax charge	<u>74,092</u>	<u>56,682</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

Deferred tax

Deferred tax assets and liabilities

	Liability £
2019	
Difference between accumulated depreciation and amortisation and capital allowances	<u>36,688</u>

Subject to any future changes in tax law, the UK corporation tax rate will remain at 19% until 31 March 2020, reducing to 17% with effect from 1 April 2020.

The deferred tax balance is measured at 17%.

Based on current capital investment plans, the company expects future timing differences between depreciation and capital allowances to remain at a similar level to the current year.

10 Intangible assets

	Development costs £	Total £
Cost or valuation		
At 1 September 2018	<u>124,403</u>	<u>124,403</u>
At 31 August 2019	<u>124,403</u>	<u>124,403</u>
Amortisation		
Carrying amount		
At 31 August 2019	<u>124,403</u>	<u>124,403</u>
At 31 August 2018	<u>124,403</u>	<u>124,403</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

11 Tangible assets

	Leasehold improvements £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 September 2018	109,935	125,344	296,847	532,126
Additions	-	140,745	164,459	305,204
Disposals	-	(74,057)	-	(74,057)
At 31 August 2019	<u>109,935</u>	<u>192,032</u>	<u>461,306</u>	<u>763,273</u>
Depreciation				
At 1 September 2018	101,363	110,605	266,206	478,174
Charge for the year	8,572	30,991	36,736	76,299
Eliminated on disposal	-	(68,974)	-	(68,974)
At 31 August 2019	<u>109,935</u>	<u>72,622</u>	<u>302,942</u>	<u>485,499</u>
Carrying amount				
At 31 August 2019	<u>-</u>	<u>119,410</u>	<u>158,364</u>	<u>277,774</u>
At 31 August 2018	<u>8,572</u>	<u>14,739</u>	<u>30,641</u>	<u>53,952</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

12 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	<u>3</u>	<u>3</u>

Subsidiaries

Cost or valuation

At 1 September 2018 and 31 August 2019

£

3

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2019	2018
Subsidiary undertakings				
Apex Lifts Limited	England	Ordinary	100%	100%
Apex Lift Services Limited	England	Ordinary	100%	100%

Both subsidiaries are dormant.

13 Stocks

	2019 £	2018 £
Raw materials and consumables	101,404	81,366
Work in progress	<u>742,957</u>	<u>585,149</u>
	<u>844,361</u>	<u>666,515</u>

The cost of stocks recognised as an expense in the year amounted to £4,885,110 (2018 - £4,184,638).

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Debtors

	2019 £	2018 £
Trade debtors	4,768,581	3,543,141
Amounts due from group undertakings	282,555	-
Other debtors	41,661	80,015
Prepayments	149,856	108,639
Total current trade and other debtors	<u>5,242,653</u>	<u>3,731,795</u>

15 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>2,175,144</u>	<u>2,496,100</u>

Cash at bank includes restricted funds of £20,160 (2018 - £250,000) over which a customer has taken a charge to secure performance of an ongoing contract.

16 Creditors

	2019 £	2018 £
Due within one year		
Trade creditors	1,787,336	1,254,661
Amounts due to group undertakings	-	138,397
Social security and other taxes	622,861	550,800
Other creditors	-	119,257
Accrued expenses	1,741,974	726,271
Corporation tax	37,404	67,565
	<u>4,189,575</u>	<u>2,856,951</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
A ordinary of £1 each	1,200	1,200	1,200	1,200
B ordinary redeemable of £0.10 each	400	40.00	400	40.00
C ordinary redeemable of £0.10 each	5,000	500.00	5,000	500.00
	<u>6,600</u>	<u>1,740</u>	<u>6,600</u>	<u>1,740</u>

Rights, preferences and restrictions

A ordinary shares have the following rights, preferences and restrictions:

The shares have attached to them full voting, dividend and capital distribution including winding up rights.

B ordinary and C ordinary redeemable shares have the following rights, preferences and restrictions:

The shares are redeemable ordinary shares, redeemable at par value but no set date of redemption. They have no voting rights and are not entitled to participate in the distribution of surplus assets.

18 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	346,031	283,152
Later than one year and not later than five years	832,852	770,973
Later than five years	<u>1,691,250</u>	<u>1,856,250</u>
	<u>2,870,133</u>	<u>2,910,375</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £380,105 (2018 - £340,358).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	60,992	60,992
Later than one year and not later than five years	<u>25,413</u>	<u>86,405</u>
	<u>86,405</u>	<u>147,397</u>

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £126,924 (2018 - £89,429).

20 Dividends

	2019 £	2018 £
Interim dividend of £100.00 (2018 - £Nil) per A ordinary share	<u>120,000</u>	<u>-</u>

21 Contingent liabilities

The company's bankers have taken a fixed and floating charge over the assets of the company in connection with borrowings of the parent company. The company has also provided a guarantee to the bank in this connection. The parent company's borrowings secured under this arrangement amounted to £Nil (2018 - £427,222) at the balance sheet date.

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

22 Related party transactions

The company has taken advantage of the exemption in FRS 102 33.1A "Related Party Disclosures" from disclosing transactions with other members of the group.

Transactions with directors

	At 1 September 2018 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 August 2019 £
2019					
Directors' loan accounts	32,100	-	-	-	32,100

	At 1 September 2017 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 August 2018 £
2018					
Directors' loan accounts	32,100	-	-	-	32,100

Directors' loans are interest free and repayable on demand.

Expenditure with and payables to related parties

	Other related parties £
2019	
Leases	82,500
2018	
Leases	82,500

23 Financial instruments

Categorisation of financial instruments

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost	5,092,795	3,623,156
Financial liabilities measured at amortised cost	3,529,310	2,238,586

Apex Lift & Escalator Engineers Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

24 Control

The company's immediate parent is Apex Lifts (Group) Limited, incorporated in England.

The most senior parent entity producing publicly available financial statements is Apex Lifts (Group) Limited. These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF4 3UZ.

The ultimate controlling party is W Jenchner by virtue of his majority shareholding in the parent company.