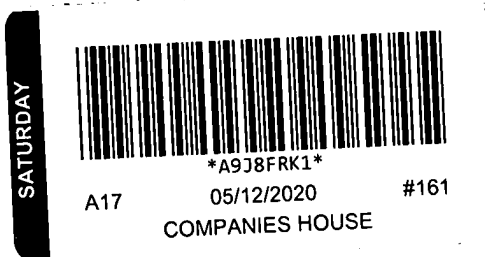


Registration number: 01129631

# Apex Lift & Escalator Engineers Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2020



# **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 2020**

The directors present their strategic report for the year ended 31 August 2020.

### **Principal activity**

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

### **Fair review of the business**

A strong performance by the company continued during the year, securing its position as one of the largest independent lift businesses serving London and the South East.

The upturn in the installation market from last year continued through to the current year. The company's reputation has been further strengthened by the completion of some notable London projects. Our order book remains healthy and the company continues to receive positive leads for further modernisation works in 2021.

Turnover increased by 14.6% on last year to £18,849,803, largely as a result of a growth in lift modernisation works. Gross profit margins improved on the previous year reflecting more efficient working practices and continued close control of direct costs.

In the lift maintenance sector, we continued to see the pattern set several years ago, where new and repeat business is mostly price focused. We expect this pattern to continue for the foreseeable future fuelled by excess office capacity in London as some businesses extend the practice of allowing office employees to work from home. The company's strategy however continues to be one of resisting the low-priced market and remain focused on providing high-quality services at a reasonable price.

Lift repairs activity continued at similar levels to last year with similar profit margins.

A strong balance sheet and close monitoring of working capital remained a key financial objective for the business. This was reflected in net assets of £4.661m for the year. Cash and working capital remained at expected levels throughout the year allowing the business to fund mobilisation of large value projects.

### **Key performance indicators**

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

- Turnover growth of £2,406,359 on the previous year (14.6%).
- Gross Profit increased by £779,992 on 2019 to £4,480,163
- Profit before tax increased by 57% on 2019, ending at £654,992
- Profit after tax improved ending at £522,697 for the year (2019: £342,258).

### **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.

## **Apex Lift & Escalator Engineers Limited**

### **Strategic Report for the Year Ended 31 August 2020**

#### **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.

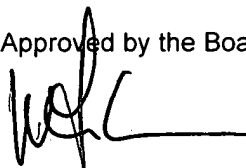
#### **Impact of Covid-19 Pandemic**

The Covid pandemic temporarily interrupted business activity for 2 months during the Spring, as construction sites were forced to close. However, the company was quick to put in place measures which promoted safe working practices. This allowed essential maintenance and lift refurbishment to continue to fully operate. The business continues to operate fully and we have not detected a downturn in sales enquiries or order activity.

#### **Impact of leaving the European Union**

Company sales are all UK based. However, some goods are imported from EU countries. We have considered the effects of a no trade agreement with the EU. There may be delays to the supply chain and there is a possibility of increased costs if the UK Government places tariffs on imported goods. However, the volume of imported goods is relatively small and we do not believe that failure to reach a trade agreement with the EU will have a significant impact on trading.

Approved by the Board on 30/11/20 and signed on its behalf by:



W Jendhner  
Director

## **Apex Lift & Escalator Engineers Limited**

### **Directors' Report for the Year Ended 31 August 2020**

The directors present their report and the financial statements for the year ended 31 August 2020.

#### **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.

## **Apex Lift & Escalator Engineers Limited**

### **Directors' Report for the Year Ended 31 August 2020**

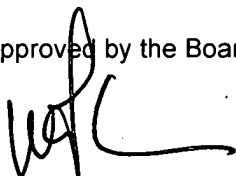
#### **Future developments**

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

#### **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 on 30/11/20 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'WJ', written over a horizontal line.

W Jenchner  
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 2020, 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 2020 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](http://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.



Nick Paterno (Senior Statutory Auditor)  
For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House  
Cray Road  
Sidcup  
Kent  
DA14 5DA

Date:.....01/12/20

# Apex Lift & Escalator Engineers Limited

## Profit and Loss Account for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Turnover	3	18,849,803	16,443,444
Cost of sales		<u>(14,369,640)</u>	<u>(12,743,236)</u>
Gross profit		4,480,163	3,700,208
Administrative expenses		(4,117,653)	(3,379,239)
Other operating income	4	<u>288,388</u>	<u>89,520</u>
Operating profit		650,898	410,489
Other interest receivable and similar income		<u>4,094</u>	<u>5,861</u>
Profit before tax		654,992	416,350
Taxation	9	<u>(132,295)</u>	<u>(74,092)</u>
Profit for the financial year		<u><u>522,697</u></u>	<u><u>342,258</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 27 form an integral part of these financial statements.

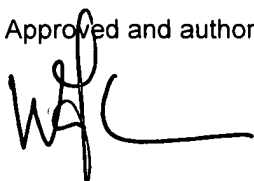
# Apex Lift & Escalator Engineers Limited

(Registration number: 01129631)  
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	82,935	124,403
Tangible assets	11	352,814	277,774
Investments	12	<u>3</u>	<u>3</u>
		<u>435,752</u>	<u>402,180</u>
<b>Current assets</b>			
Stocks	13	581,959	844,361
Debtors	14	5,883,448	5,242,653
Cash at bank and in hand	15	<u>1,785,997</u>	<u>2,175,144</u>
		8,251,404	8,262,158
Creditors: Amounts falling due within one year	16	<u>(3,971,415)</u>	<u>(4,189,575)</u>
Net current assets		<u>4,279,989</u>	<u>4,072,583</u>
Total assets less current liabilities		4,715,741	4,474,763
Provisions for liabilities		<u>(54,969)</u>	<u>(36,688)</u>
Net assets		<u><u>4,660,772</u></u>	<u><u>4,438,075</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,740	1,740
Share premium reserve		5,981	5,981
Capital redemption reserve		800	800
Retained earnings		<u>4,652,251</u>	<u>4,429,554</u>
Total equity		<u><u>4,660,772</u></u>	<u><u>4,438,075</u></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 30/11/20 and signed on its behalf by:



W Jenchner  
Director

The notes on pages 14 to 27 form an integral part of these financial statements.

# Apex Lift & Escalator Engineers Limited

## Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2019	1,740	5,981	800	4,429,554	4,438,075
Profit for the year	-	-	-	522,697	522,697
Total comprehensive income	-	-	-	522,697	522,697
Dividends	-	-	-	(300,000)	(300,000)
At 31 August 2020	1,740	5,981	800	4,652,251	4,660,772

	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

The notes on pages 14 to 27 form an integral part of these financial statements.

# Apex Lift & Escalator Engineers Limited

## Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		522,697	342,258
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	142,851	76,299
Profit on disposal of property plant and equipment		-	(22,216)
Finance income		(4,094)	(5,861)
Corporation tax expense	9	132,295	74,092
		<u>793,749</u>	<u>464,572</u>
Working capital adjustments			
Decrease/(increase) in stock	13	262,402	(177,846)
Increase in trade and other debtors	14	(640,795)	(1,510,858)
(Decrease)/increase in trade and other creditors	16	(294,770)	1,362,785
		<u>120,586</u>	<u>138,653</u>
Cash generated from operations		120,586	138,653
Corporation taxes paid	9	(37,404)	(67,565)
Net cash flow from operating activities		<u>83,182</u>	<u>71,088</u>
<b>Cash flows from investing activities</b>			
Interest received		4,094	5,861
Acquisitions of property plant and equipment		(176,423)	(305,204)
Proceeds from sale of property plant and equipment		-	27,299
		<u>(172,329)</u>	<u>(272,044)</u>
Net cash flows from investing activities		(172,329)	(272,044)
<b>Cash flows from financing activities</b>			
Dividends paid	20	(300,000)	(120,000)
Net decrease in cash and cash equivalents		(389,147)	(320,956)
Cash and cash equivalents at 1 September		2,175,144	2,496,100
Cash and cash equivalents at 31 August	15	<u>1,785,997</u>	<u>2,175,144</u>

The notes on pages 14 to 27 form an integral part of these financial statements.

# **Apex Lift & Escalator Engineers Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

### **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 and after taking into account the risks and uncertainties described in the Strategic Report, 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 2020**

#### **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.

#### **Government grants**

The company has adopted the accrual model for accounting for government grants. Grants relating to revenue are recognised in income on a systematic basis over the same period as the related costs for which the grant is intended to compensate. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

#### **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.

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

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.

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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
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 2020**

#### **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 2020

#### 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:

	2020 £	2019 £
Lift engineering	<u>18,849,803</u>	<u>16,443,444</u>

The analysis of the company's revenue for the year by market is as follows:

	2020 £	2019 £
UK	<u>18,849,803</u>	<u>16,443,444</u>

### 4 Other operating income

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

	2020 £	2019 £
Government grants	194,749	-
Rental income	<u>93,639</u>	<u>89,520</u>
	<u>288,388</u>	<u>89,520</u>

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	101,383	76,299
Amortisation expense	41,468	-
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(22,216)</u>

### 6 Staff costs

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

	2020 £	2019 £
Wages and salaries	5,213,143	4,969,274
Social security costs	553,565	544,494
Pension costs, defined contribution scheme	<u>165,753</u>	<u>126,924</u>
	<u>5,932,461</u>	<u>5,640,692</u>

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

	2020 No.	2019 No.
Installation, breakdown & maintenance	75	76
Administration and support	<u>42</u>	<u>41</u>
	<u>117</u>	<u>117</u>

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	755,666	610,853
Contributions paid to money purchase schemes	<u>52,350</u>	<u>23,483</u>
	<u>808,016</u>	<u>634,336</u>

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

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	<u>392,696</u>	<u>232,377</u>

### 8 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>11,950</u>	<u>11,950</u>

### 9 Taxation

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

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	114,014	37,404
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>18,281</u>	<u>36,688</u>
Tax expense in the profit and loss account	<u>132,295</u>	<u>74,092</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>654,992</u>	<u>416,350</u>
Corporation tax at standard rate	124,448	79,107
Effect of expense not deductible in determining taxable profit (tax loss)	5,383	5,591
Deferred tax expense (credit) relating to changes in tax rates or laws	18,281	36,688
Tax increase (decrease) from effect of capital allowances and depreciation	(13,396)	(29,151)
Tax increase (decrease) from effect of adjustment in research and development	<u>(2,421)</u>	<u>(18,143)</u>
Total tax charge	<u><u>132,295</u></u>	<u><u>74,092</u></u>

#### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2020</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>54,969</u>
<b>2019</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>36,688</u>

The deferred tax balance is measured at 19% (2019: 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.

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 10 Intangible assets

	Development costs £	Total £
<b>Cost or valuation</b>		
At 1 September 2019	124,403	124,403
At 31 August 2020	124,403	124,403
<b>Amortisation</b>		
Impairment	41,468	41,468
At 31 August 2020	41,468	41,468
<b>Carrying amount</b>		
At 31 August 2020	82,935	82,935
At 31 August 2019	124,403	124,403

### 11 Tangible assets

	Leasehold improvements £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	109,935	192,032	461,306	763,273
Additions	5,650	121,225	49,548	176,423
At 31 August 2020	115,585	313,257	510,854	939,696
<b>Depreciation</b>				
At 1 September 2019	109,935	72,622	302,942	485,499
Charge for the year	117	44,403	56,863	101,383
At 31 August 2020	110,052	117,025	359,805	586,882
<b>Carrying amount</b>				
At 31 August 2020	5,533	196,232	151,049	352,814
At 31 August 2019	-	119,410	158,364	277,774



# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 12 Investments in subsidiaries, joint ventures and associates

	2020 £	2019 £
Investments in subsidiaries	<u>3</u>	<u>3</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 September 2019 and 31 August 2020		<u>3</u>

### 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	
			2020	2019
<b>Subsidiary undertakings</b>				
Apex Lifts Limited	England	Ordinary	100%	100%
Apex Lift Services Limited	England	Ordinary	100%	100%

Both subsidiaries are dormant.

### 13 Stocks

	2020 £	2019 £
Raw materials and consumables	101,990	101,404
Work in progress	<u>479,969</u>	<u>742,957</u>
	<u>581,959</u>	<u>844,361</u>

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 14 Debtors

	2020 £	2019 £
Trade debtors	5,684,153	4,768,581
Amounts due from group undertakings	29,761	282,555
Other debtors	15,445	41,661
Prepayments	154,089	149,856
Total current trade and other debtors	<u>5,883,448</u>	<u>5,242,653</u>

### 15 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>1,785,997</u>	<u>2,175,144</u>

### 16 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	1,711,023	1,787,336
Social security and other taxes	625,307	622,861
Accruals and deferred income	1,521,071	1,741,974
Corporation tax	114,014	37,404
	<u>3,971,415</u>	<u>4,189,575</u>

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 17 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	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:

	2020	2019
	£	£
Not later than one year	310,059	346,031
Later than one year and not later than five years	710,351	832,852
Later than five years	<u>1,526,250</u>	<u>1,691,250</u>
	<u>2,546,660</u>	<u>2,870,133</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £358,977 (2019 - £380,105).

#### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	25,413	60,992
Later than one year and not later than five years	<u>-</u>	<u>25,413</u>
	<u>25,413</u>	<u>86,405</u>

## **Apex Lift & Escalator Engineers Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **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 £165,753 (2019 - £126,924).

#### **20 Dividends**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Interim dividend of £250.00 (2019 - £100.00) per A ordinary share	<u>300,000</u>	<u>120,000</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 21 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 2019 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 August 2020 £
2020					
Directors' loan accounts	32,100	-	(32,100)	-	-

	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

Directors' loans are interest free and repayable on demand.

##### Expenditure with and payables to related parties

	Other related parties £
2020	
Leases	82,500
2019	
Leases	82,500

#### 22 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.