

Registration number: 01129631

# Apex Lift & Escalator Engineers Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2021



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

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# **Apex Lift & Escalator Engineers Limited**

## **Company Information**

<b>Directors</b>	W Jenchner E L Jenchner G L Poynter L A Hughes K T Warnock
<b>Company secretary</b>	E L Jenchner
<b>Registered office</b>	Art's House Banks Lane BEXLEYHEATH Kent DA6 7BH
<b>Auditors</b>	McBrides Accountants LLP Nexus House Cray Road Sidcup Kent DA14 5DA

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

### **Strategic Report for the Year Ended 31 August 2021**

The directors present their strategic report for the year ended 31 August 2021.

#### **Principal activity**

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

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

The company returned strong profits and financial growth in the year. Strong sales orders and improving efficiency in operations were achieved despite the Covid pandemic which severely hit some other areas of the national economy. The completion of some iconic and unique installation projects secured the company's reputation as the best lift company for the modernisation of bespoke and technically challenging lifts.

The outlook for the modernisation market remains positive amongst both existing and new clients with a record number of sales enquiries. We expect that this will continue and that the order backlog will produce another good financial performance next year. We will continue to monitor inflationary pressures on raw materials and act to minimise any effects of this.

In the lift maintenance sector, we continued to win new contracts, aided by our reputation for reliability and quality. Much of the sector remains price sensitive. However, an increasing number of clients recognise that there is a fair cost to providing a reliable and quality service. As a result, we have managed to avoid entering the low cost, high-risk end of the maintenance market.

Lift repairs activity improved on levels seen last year with several large repair contracts awarded from an established client base.

As in previous years, a strong balance sheet and close monitoring of working capital remain key financial objectives for the business. Cash balances of nearly £5m and equity approaching £7m reflects the continued investment in the business by the shareholders.

#### **Key performance indicators**

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

- Turnover growth of £3,750,630 on the previous year.
- Gross Profit increased on 2020 to £6,886,378.
- Profit before tax increased on 2020, ending at £2,756,303.
- Profit after tax also improved, ending at £2,212,618 for the year (2020: £522,697).

#### **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 2021**

#### **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.

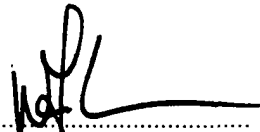
#### **Impact of Covid-19 Pandemic**

The Covid pandemic has had little effect on business performance. All employees were able to work normally throughout the year. Construction sites and access to residential dwellings were largely unobstructed. At the height of the pandemic administrative staff worked alternately at home and in the office to reduce the risk of infection. Staff who contracted Covid, or who had to self-isolate during the year were supported financially whilst absent from work. There was some use of the Government's furlough scheme, but this was insignificant compared to the previous year.

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

There has been some additional administration for imported goods from the EU, but this has not impacted deliveries to site, or caused huge delays.

Approved by the Board on 15/12/21 and signed on its behalf by:

  
.....  
W Jenner  
Director

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

### **Directors' Report for the Year Ended 31 August 2021**

The directors present their report and the financial statements for the year ended 31 August 2021.

#### **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 2021**


#### **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 15/12/21 and signed on its behalf by:

  
.....  
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 2021, 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 2021 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health and safety legislation and various industry standards.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

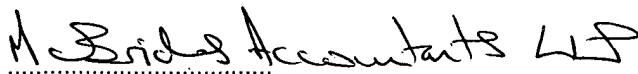
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **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: 15/12/21

## Apex Lift & Escalator Engineers Limited

### Profit and Loss Account for the Year Ended 31 August 2021

	Note	2021 £	2020 £
Turnover	3	22,600,433	18,849,803
Cost of sales		<u>(15,714,055)</u>	<u>(14,369,640)</u>
Gross profit		6,886,378	4,480,163
Administrative expenses		(4,216,654)	(4,117,653)
Other operating income	4	<u>86,288</u>	<u>288,388</u>
Operating profit		2,756,012	650,898
Other interest receivable and similar income		<u>291</u>	<u>4,094</u>
Profit before tax		2,756,303	654,992
Taxation	9	<u>(543,685)</u>	<u>(132,295)</u>
Profit for the financial year		<u><u>2,212,618</u></u>	<u><u>522,697</u></u>

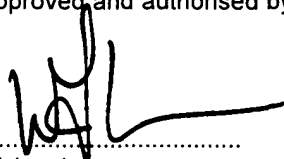
No Statement of Comprehensive Income has been presented as there is no movement through other comprehensive income for the year.

# Apex Lift & Escalator Engineers Limited

(Registration number: 01129631)  
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	10	-	82,935
Tangible assets	11	393,295	352,814
Investments	12	3	3
		<u>393,298</u>	<u>435,752</u>
<b>Current assets</b>			
Stocks	13	415,450	581,959
Debtors	14	6,693,724	5,883,448
Cash at bank and in hand	15	4,732,977	1,785,997
		<u>11,842,151</u>	<u>8,251,404</u>
Creditors: Amounts falling due within one year	16	<u>(5,270,811)</u>	<u>(3,971,415)</u>
Net current assets		<u>6,571,340</u>	<u>4,279,989</u>
Total assets less current liabilities		6,964,638	4,715,741
Provisions for liabilities		<u>(91,248)</u>	<u>(54,969)</u>
Net assets		<u>6,873,390</u>	<u>4,660,772</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>6,864,869</u>	<u>4,652,251</u>
Total equity		<u>6,873,390</u>	<u>4,660,772</u>

Approved and authorised by the Board on 15/12/21 and signed on its behalf by:

  
.....  
W Jenchrer  
Director

# Apex Lift & Escalator Engineers Limited

## Statement of Changes in Equity for the Year Ended 31 August 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2020	1,740	5,981	800	4,652,251	4,660,772
Profit for the year	-	-	-	2,212,618	2,212,618
Total comprehensive income	-	-	-	2,212,618	2,212,618
At 31 August 2021	1,740	5,981	800	6,864,869	6,873,390

	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

The notes on pages 15 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 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		2,212,618	522,697
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	174,897	142,851
Profit on disposal of property plant and equipment		(7,576)	-
Loss on disposal of intangible assets		44,923	-
Finance income		(291)	(4,094)
Corporation tax expense	9	543,685	132,295
		2,968,256	793,749
Working capital adjustments			
Decrease in stock	13	166,509	262,402
Increase in trade and other debtors	14	(810,276)	(640,795)
Increase/(decrease) in trade and other creditors	16	906,004	(294,770)
Cash generated from operations		3,230,493	120,586
Corporation taxes paid	9	(114,014)	(37,404)
Net cash flow from operating activities		3,116,479	83,182
<b>Cash flows from investing activities</b>			
Interest received		291	4,094
Acquisitions of property plant and equipment		(201,790)	(176,423)
Proceeds from sale of property plant and equipment		32,000	-
Net cash flows from investing activities		(169,499)	(172,329)
<b>Cash flows from financing activities</b>			
Dividends paid	20	-	(300,000)
Net increase/(decrease) in cash and cash equivalents		2,946,980	(389,147)
Cash and cash equivalents at 1 September		1,785,997	2,175,144
Cash and cash equivalents at 31 August	15	4,732,977	1,785,997

The notes on pages 15 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 2021**

#### **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 2021**

#### **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 2021**

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
Other property, plant & equipment	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 2021**

#### **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 2021

#### 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:

	2021 £	2020 £
Lift engineering	<u>22,600,433</u>	<u>18,849,803</u>

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

	2021 £	2020 £
UK	<u>22,600,433</u>	<u>18,849,803</u>

### 4 Other operating income

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

	2021 £	2020 £
Government grants	26,569	194,749
Rental income	<u>59,719</u>	<u>93,639</u>
	<u>86,288</u>	<u>288,388</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	136,885	101,383
Amortisation expense	38,012	41,468
Profit on disposal of property, plant and equipment	<u>(7,576)</u>	<u>-</u>

#### 6 Staff costs

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

	2021 £	2020 £
Wages and salaries	5,400,970	5,213,143
Social security costs	581,569	553,565
Pension costs, defined contribution scheme	<u>163,915</u>	<u>165,753</u>
	<u>6,146,454</u>	<u>5,932,461</u>

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

	2021 No.	2020 No.
Installation, breakdown & maintenance	77	75
Administration and support	<u>39</u>	<u>42</u>
	<u>116</u>	<u>117</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	820,255	755,666
Contributions paid to money purchase schemes	<u>50,881</u>	<u>52,350</u>
	<u>871,136</u>	<u>808,016</u>

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

	2021 No.	2020 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 2021

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	<u>383,408</u>	<u>392,696</u>

#### 8 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>11,950</u>	<u>11,950</u>

#### 9 Taxation

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

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	507,406	114,014
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>36,279</u>	<u>18,281</u>
Tax expense in the profit and loss account	<u>543,685</u>	<u>132,295</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>2,756,303</u>	<u>654,992</u>
Corporation tax at standard rate	523,698	124,448
Effect of expense not deductible in determining taxable profit (tax loss)	(5,470)	5,383
Deferred tax expense relating to changes in tax rates or laws	36,279	18,281
Tax decrease from effect of capital allowances and depreciation	(10,822)	(13,396)
Tax decrease from effect of adjustment in research and development tax credit	<u>-</u>	<u>(2,421)</u>
Total tax charge	<u>543,685</u>	<u>132,295</u>

# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2021</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>91,248</u>
<b>2020</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>54,969</u>

The deferred tax balance is measured at 25% (2020: 19%).

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 £
<b>Cost or valuation</b>		
At 1 September 2020	124,403	124,403
Disposals	<u>(124,403)</u>	<u>(124,403)</u>
At 31 August 2021	<u>-</u>	<u>-</u>
<b>Amortisation</b>		
At 1 September 2020	41,468	41,468
Impairment	38,012	38,012
Amortisation eliminated on disposals	<u>(79,480)</u>	<u>(79,480)</u>
At 31 August 2021	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
At 31 August 2021	<u>-</u>	<u>-</u>
At 31 August 2020	<u>82,935</u>	<u>82,935</u>



# Apex Lift & Escalator Engineers Limited

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 11 Tangible assets

	Leasehold improvements £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	115,585	313,257	510,854	939,696
Additions	-	40,856	160,934	201,790
Disposals	-	(50,973)	-	(50,973)
At 31 August 2021	<u>115,585</u>	<u>303,140</u>	<u>671,788</u>	<u>1,090,513</u>
<b>Depreciation</b>				
At 1 September 2020	110,052	117,025	359,805	586,882
Charge for the year	1,413	62,717	72,755	136,885
Eliminated on disposal	-	(26,549)	-	(26,549)
At 31 August 2021	<u>111,465</u>	<u>153,193</u>	<u>432,560</u>	<u>697,218</u>
<b>Carrying amount</b>				
At 31 August 2021	<u>4,120</u>	<u>149,947</u>	<u>239,228</u>	<u>393,295</u>
At 31 August 2020	<u>5,533</u>	<u>196,232</u>	<u>151,049</u>	<u>352,814</u>

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

	2021 £	2020 £
Investments in subsidiaries	<u>3</u>	<u>3</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 September 2020 and 31 August 2021		<u>3</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 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	
			2021	2020
<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

	2021 £	2020 £
Raw materials and consumables	109,096	101,990
Work in progress	306,354	479,969
	<u>415,450</u>	<u>581,959</u>

#### 14 Debtors

	2021 £	2020 £
Trade debtors	6,479,368	5,684,153
Amounts due from group undertakings	80,489	29,761
Other debtors	5,116	15,445
Prepayments	128,751	154,089
Total current trade and other debtors	<u>6,693,724</u>	<u>5,883,448</u>

#### 15 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>4,732,977</u>	<u>1,785,997</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 16 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	1,096,247	1,711,023
Social security and other taxes	840,959	625,307
Accruals and deferred income	2,826,199	1,521,071
Corporation tax	507,406	114,014
	<u>5,270,811</u>	<u>3,971,415</u>

#### 17 Share capital

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

	2021		2020	
	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 with no set date of redemption. They have no voting rights and are not entitled to participate in the distribution of surplus assets.

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 18 Obligations under leases

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	299,962	310,059
Later than one year and not later than five years	781,328	710,351
Later than five years	<u>1,361,250</u>	<u>1,526,250</u>
	<u>2,442,540</u>	<u>2,546,660</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £384,453 (2020 - £358,977).

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	60,992	25,413
Later than one year and not later than five years	<u>208,389</u>	<u>-</u>
	<u>269,381</u>	<u>25,413</u>

#### 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 £163,915 (2020 - £165,753).

#### 20 Dividends

	2021 £	2020 £
Interim dividend of £Nil (2020 - £250.00) per A ordinary share	<u>-</u>	<u>300,000</u>

## Apex Lift & Escalator Engineers Limited

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 21 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	<u>1,785,997</u>	<u>2,946,980</u>	<u>4,732,977</u>

#### 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.

#### Expenditure with and payables to related parties

<b>2021</b>	<b>Other related parties</b>
Leases	£
	<u>82,500</u>
<b>2020</b>	<b>Other related parties</b>
Leases	£
	<u>82,500</u>

#### 23 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.