

Apex Resources Limited
Financial Statements
28 February 2019



COLLETT HULANCE LLP

Chartered Certified Accountants & statutory auditor
40 Kimbolton Road
Bedford
MK40 2NR

Apex Resources Limited

Financial Statements

Year ended 28 February 2019

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Apex Resources Limited

Strategic Report

Year ended 28 February 2019

Business review

The principal activity of the company in the year under review was the supply of labour to the construction industry.

Turnover fell slightly during the year to £49,028,286 (2018: £50,931,412). Operating profit also fell slightly to £798,262 (2018: £876,023). Profit for the year before taxation was £476,885 (2018: £492,939).

The company's net current assets increased to £1,747,181 (2018: £1,461,456). Shareholders' funds increased to £1,870,699 (2018: £1,594,052) after dividend payments of £80,720 (2018: £108,240).

Key performance indicators

A key indicator is turnover levels, which is an indicator of market share. Projections are that depending upon the outcome of Brexit, turnover may fall slightly, but margins are expected to be maintained or enhanced.

Future developments for the business

Management continue to focus on growth and suitable locations for new branches.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The principal risks are:

General economic conditions

Demand for the company's services depends upon the general economy. The company seeks to maintain a competitive advantage by offering a high level of customer service.

Brexit uncertainty

Management consider that Brexit will reduce the supply of labour which will lead to a reduction in the company's revenues. However a shortage of labour should at the same time lead to an increase in margins. The company continues to benefit from large-scale construction contracts as large corporates have sought to locate in prestigious new-build offices. However the volume of this work is likely to fall as large corporates will be less inclined to locate in the UK.

Personnel risk

The company is a privately owned business and places great emphasis on recruiting and training high quality competent staff.

Changes to employment laws

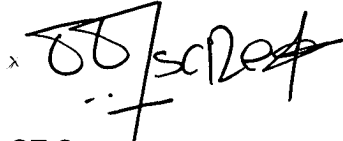
The company has kept abreast of changes in employment law and works closely with its suppliers and customers to ensure full compliance with all current and prospective laws.

Apex Resources Limited

Strategic Report *(continued)*

Year ended 28 February 2019

This report was approved by the board of directors on 27 Nov 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'OT Osazee', with a stylized flourish at the end.

OT Osazee
Director

Registered office:
Apex House
1 Bridle Path
Watford
WD17 1UE

Apex Resources Limited

Director's Report

Year ended 28 February 2019

The director presents his report and the financial statements of the company for the year ended 28 February 2019.

Directors

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

OT Osazee

H Brady (Died 1 October 2018)

Dividends

Particulars of recommended dividends are detailed in note 11, to the financial statements.

Disclosure of information in the strategic report

The business review, future developments and principal risks and uncertainties are not shown in the Directors' report because they are shown in the Strategic report as permitted under the Companies Act 2006.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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 Resources Limited

Director's Report *(continued)*

Year ended 28 February 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 27 Nov 2019 and signed on behalf of the board by:



OT Osazee
Director

Registered office:
Apex House
1 Bridle Path
Watford
WD17 1UE

Apex Resources Limited

Independent Auditor's Report to the Members of Apex Resources Limited

Year ended 28 February 2019

Opinion

We have audited the financial statements of Apex Resources Limited (the 'company') for the year ended 28 February 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Apex Resources Limited

Independent Auditor's Report to the Members of Apex Resources Limited

(continued)

Year ended 28 February 2019

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Apex Resources Limited

Independent Auditor's Report to the Members of Apex Resources Limited

(continued)

Year ended 28 February 2019

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

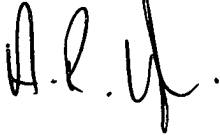
Apex Resources Limited

Independent Auditor's Report to the Members of Apex Resources Limited

(continued)

Year ended 28 February 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Andrew Robert Upton FCCA (Senior Statutory Auditor)

For and on behalf of
Collett Hulance LLP
Chartered Certified Accountants & statutory auditor
40 Kimbolton Road
Bedford
MK40 2NR

28th November 2019

Apex Resources Limited

Statement of Income and Retained Earnings

Year ended 28 February 2019

	Note	2019 £	2018 £
Turnover	4	49,028,286	50,931,412
Cost of sales		43,183,877	45,001,335
Gross profit		5,844,409	5,930,077
Administrative expenses		5,151,741	5,145,443
Other operating income		105,594	91,389
Operating profit	5	798,262	876,023
Interest payable and similar expenses	9	321,377	383,084
Profit before taxation		476,885	492,939
Tax on profit	10	119,518	114,669
Profit for the financial year and total comprehensive income		357,367	378,270
Dividends paid and payable	11	(80,720)	(108,240)
Retained earnings at the start of the year		1,593,852	1,323,822
Retained earnings at the end of the year		1,870,499	1,593,852

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

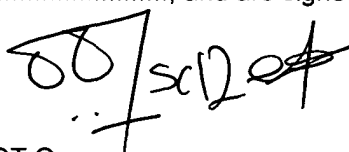
Apex Resources Limited

Statement of Financial Position

28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	124,765	135,708
Current assets			
Debtors	13	6,875,220	7,524,511
Cash at bank and in hand		264,179	919,053
		7,139,399	8,443,564
Creditors: amounts falling due within one year	14	5,392,218	6,982,108
Net current assets		1,747,181	1,461,456
Total assets less current liabilities		1,871,946	1,597,164
Provisions	15	1,247	3,112
Net assets		1,870,699	1,594,052
Capital and reserves			
Called up share capital	19	200	200
Profit and loss account	20	1,870,499	1,593,852
Shareholders funds		1,870,699	1,594,052

These financial statements were approved by the board of directors and authorised for issue on 27 Nov 2019, and are signed on behalf of the board by:


OT Osaze
Director

Company registration number: 05038793

The notes on pages 12 to 20 form part of these financial statements.

Apex Resources Limited

Statement of Cash Flows

Year ended 28 February 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	357,367	378,270
<i>Adjustments for:</i>		
Depreciation of tangible assets	32,914	29,132
Interest payable and similar expenses	321,377	383,084
Tax on profit	119,518	114,669
Accrued (income)/expenses	(644,833)	10,708
<i>Changes in:</i>		
Trade and other debtors	(200,864)	(662,978)
Trade and other creditors	40,469	(55,709)
Cash generated from operations	25,948	197,176
Interest paid	(321,377)	(383,084)
Tax paid	(131,421)	(91,127)
Net cash used in operating activities	(426,850)	(277,035)
Cash flows from investing activities		
Purchase of tangible assets	(21,971)	(12,636)
Net cash used in investing activities	(21,971)	(12,636)
Cash flows from financing activities		
Proceeds from borrowings	(125,333)	472,498
Dividends paid	(80,720)	(108,240)
Net cash (used in)/from financing activities	(206,053)	364,258
Net (decrease)/increase in cash and cash equivalents	(654,874)	74,587
Cash and cash equivalents at beginning of year	919,053	844,466
Cash and cash equivalents at end of year	264,179	919,053

The notes on pages 12 to 20 form part of these financial statements.

Apex Resources Limited

Notes to the Financial Statements

Year ended 28 February 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Apex House, 1 Bridle Path, Watford, WD17 1UE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of accounting estimates. It also requires management to exercise its judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the Financial Statements.

Key accounting estimates and assumptions

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible fixed assets

The useful economic lives used by the company in respect of tangible fixed assets are set out in the accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate.

Trade debtors

The amounts recoverable from debtors are subject to uncertainty. The company has appropriate control procedures to manage the risk of debtor default. These procedures include credit worthiness checks and insurance policies. At each year-end the company assesses the likelihood of debtor default and makes provision for amounts which are considered to be irrecoverable.

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Equipment	- 20% straight line
Leasehold property improvements	- 10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Rendering of services	<u>49,028,286</u>	<u>50,931,412</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	32,914	29,132
Impairment of trade debtors	<u>626,759</u>	<u>357,493</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>8,750</u>	<u>8,500</u>

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

7. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2019 No.	2018 No.
Administrative staff	<u>75</u>	<u>84</u>

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

	2019 £	2018 £
Wages and salaries	2,663,342	2,860,845
Social security costs	287,207	292,975
Other pension costs	<u>41,704</u>	<u>31,175</u>
	<u>2,992,253</u>	<u>3,184,995</u>

8. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	15,286	19,858
Company contributions to defined contribution pension plans	<u>–</u>	<u>15,326</u>
	<u>15,286</u>	<u>35,184</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019 No.	2018 No.
Defined contribution plans	<u>–</u>	<u>2</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	320,962	383,084
Other interest payable and similar charges	<u>415</u>	<u>–</u>
	<u>321,377</u>	<u>383,084</u>

10. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	121,384	107,859
Adjustments in respect of prior periods	<u>(1)</u>	<u>–</u>
Total current tax	<u>121,383</u>	<u>107,859</u>

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

10. Tax on profit *(continued)*

	2019 £	2018 £
Deferred tax:		
Origination and reversal of timing differences	(1,865)	6,810
Tax on profit	<u>119,518</u>	<u>114,669</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	476,885	492,939
Profit on ordinary activities by rate of tax	90,608	93,658
Effect of expenses not deductible for tax purposes	28,910	20,347
Effect of different UK tax rates on some earnings	–	664
Tax on profit	<u>119,518</u>	<u>114,669</u>

11. Dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>80,720</u>	<u>108,240</u>

12. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Leasehold property improvements £	Total £
Cost					
At 1 March 2018	42,672	10,375	62,177	157,945	273,169
Additions	1,407	–	15,028	5,536	21,971
At 28 February 2019	<u>44,079</u>	<u>10,375</u>	<u>77,205</u>	<u>163,481</u>	<u>295,140</u>
Depreciation					
At 1 March 2018	28,522	8,875	29,142	70,922	137,461
Charge for the year	5,507	500	14,105	12,802	32,914
At 28 February 2019	<u>34,029</u>	<u>9,375</u>	<u>43,247</u>	<u>83,724</u>	<u>170,375</u>
Carrying amount					
At 28 February 2019	<u>10,050</u>	<u>1,000</u>	<u>33,958</u>	<u>79,757</u>	<u>124,765</u>
At 28 February 2018	<u>14,150</u>	<u>1,500</u>	<u>33,035</u>	<u>87,023</u>	<u>135,708</u>

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

13. Debtors

	2019 £	2018 £
Trade debtors	6,510,996	6,253,597
Prepayments and accrued income	96,626	919,273
Director's loan account	222,444	254,494
Other debtors	45,154	97,147
	<u>6,875,220</u>	<u>7,524,511</u>

The debtors above include the following amounts falling due after more than one year:

	2019 £	2018 £
Other debtors	<u>23,563</u>	<u>23,563</u>

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	3,452,044	3,577,377
Trade creditors	940,432	909,772
Accruals and deferred income	806,319	2,301,307
Corporation tax	121,384	131,422
Social security and other taxes	72,039	62,230
	<u>5,392,218</u>	<u>6,982,108</u>

Bank loans and overdrafts includes £3,452,044 (2018 - £3,577,377) which is secured on trade debtors.

15. Provisions

	Deferred tax (note 16) £
At 1 March 2018	3,112
Charge against provision	<u>(1,865)</u>
At 28 February 2019	<u>1,247</u>

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

16. Deferred tax

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

	2019 £	2018 £
Included in provisions (note 15)	<u>1,247</u>	<u>3,112</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Accelerated capital allowances	<u>1,247</u>	<u>3,112</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £41,704 (2018: £31,175).

18. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>6,755,031</u>	<u>6,533,868</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>4,392,474</u>	<u>4,487,149</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, directors loans and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts and trade creditors.

19. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

20. Reserves

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

Apex Resources Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2019

21. Operating leases

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

	2019	2018
	£	£
Not later than 1 year	176,525	186,773
Later than 1 year and not later than 5 years	43,189	121,548
	<u>219,714</u>	<u>308,321</u>

22. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	2019			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
OT Osazee	181,994	233,220	(265,270)	149,944
H Brady	72,500	–	–	72,500
	<u>254,494</u>	<u>233,220</u>	<u>(265,270)</u>	<u>222,444</u>

	2018			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
OT Osazee	–	198,794	(16,800)	181,994
H Brady	–	72,500	–	72,500
	<u>–</u>	<u>271,294</u>	<u>(16,800)</u>	<u>254,494</u>

No interest is charged on directors' advances.

23. Related party transactions

OT Osazee and H Brady are directors and shareholders. During the year OT Osazee and H Brady each received dividends of £40,360 (2018: £54,120).

During the year, the company acquired services from companies under the control of directors. The charge for these services was £628,284 (2018: £1,005,956). At 28 February 2019, amounts due to companies under the control of directors was £335,892 (2018: £708,132).

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £409,663 (2018: £423,451).

24. Controlling party

The company is controlled by the directors via their holdings of the entire issued share capital.