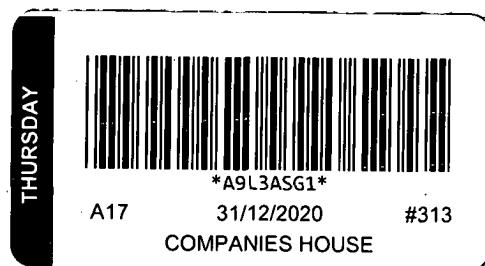


**Apex Resources Limited**  
**Financial Statements**  
**29 February 2020**



**COLLETT HULANCE LLP**

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

# **Apex Resources Limited**

## **Financial Statements**

**Year ended 29 February 2020**

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# **Apex Resources Limited**

## **Strategic Report**

**Year ended 29 February 2020**

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### **Business review**

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

Turnover increased slightly during the year to £49,975,924 (2019: £49,028,286). Operating profit improved to £933,187 (2019: £798,262). Profit for the year before taxation was £677,719 (2019: £476,885).

The company's net current assets increased to £2,284,954 (2019: £1,747,181). Shareholders' funds increased to £2,386,566 (2019: £1,870,699).

### **Key performance indicators**

A key indicator is turnover levels, which is an indicator of market share. Turnover for the year was in line with management expectations. Post year-end, turnover has been adversely affected by the Covid-19 pandemic which may take time to fully recover. Turnover may also be adversely affected by the outcome of Brexit.

### **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. The likely impacts of Covid-19 and Brexit are as follows:

#### **Covid-19 pandemic**

Use of the government's furlough scheme has enabled us to reduce overhead costs, retain valuable staff and mitigate the adverse financial impact of the pandemic on the company. Turnover has improved significantly in recent months and we have now returned to profitable operation. In the medium to longer term, the government's response to the economic impacts of the pandemic is to promote infrastructure projects. This is expected to have a positive impact on revenues.

#### **Brexit uncertainty**

Brexit will reduce the supply of labour, 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.

# Apex Resources Limited

## Strategic Report *(continued)*

Year ended 29 February 2020

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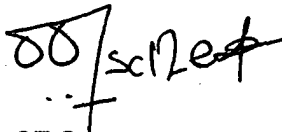
### Personnel risk

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.

This report was approved by the board of directors on 11 Dec '20 and signed on behalf of the board by:



OT Osazee  
Director

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

# **Apex Resources Limited**

## **Director's Report**

### **Year ended 29 February 2020**

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The director presents his report and the financial statements of the company for the year ended 29 February 2020.

#### **Director**

The director who served the company during the year was as follows:

OT Osazee

#### **Dividends**

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

#### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 22 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 29 February 2020

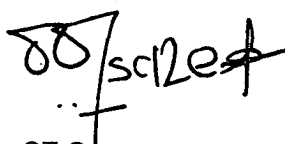
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### Auditor

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 11 Dec '20 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 29 February 2020**

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### **Opinion**

We have audited the financial statements of Apex Resources Limited (the 'company') for the year ended 29 February 2020 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 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 29 February 2020**

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### **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 29 February 2020

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### 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)

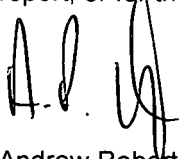
Year ended 29 February 2020

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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.

### 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.



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

Date: 14th December 2020

# Apex Resources Limited

## Statement of Income and Retained Earnings

Year ended 29 February 2020

	Note	2020 £	2019 £
<b>Turnover</b>	<b>4</b>	49,975,924	49,028,286
Cost of sales		44,043,538	43,183,877
<b>Gross profit</b>		<u>5,932,386</u>	<u>5,844,409</u>
Administrative expenses		5,056,972	5,151,741
Other operating income		57,773	105,594
<b>Operating profit</b>	<b>5</b>	<u>933,187</u>	<u>798,262</u>
Interest payable and similar expenses	<b>9</b>	255,468	321,377
<b>Profit before taxation</b>		<u>677,719</u>	<u>476,885</u>
Tax on profit	<b>10</b>	161,852	119,518
<b>Profit for the financial year and total comprehensive income</b>		<u>515,867</u>	<u>357,367</u>
Dividends paid and payable	<b>11</b>	–	(80,720)
<b>Retained earnings at the start of the year</b>		<u>1,870,499</u>	<u>1,593,852</u>
<b>Retained earnings at the end of the year</b>		<u>2,386,366</u>	<u>1,870,499</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

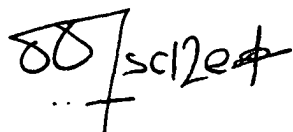
# Apex Resources Limited

## Statement of Financial Position

29 February 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	101,612	124,765
<b>Current assets</b>			
Debtors	13	6,949,199	6,884,596
Cash at bank and in hand		183,788	264,179
		<u>7,132,987</u>	<u>7,148,775</u>
<b>Creditors: amounts falling due within one year</b>	14	4,848,033	5,401,594
<b>Net current assets</b>		<u>2,284,954</u>	<u>1,747,181</u>
<b>Total assets less current liabilities</b>		<u>2,386,566</u>	<u>1,871,946</u>
<b>Provisions</b>	15	—	1,247
<b>Net assets</b>		<u>2,386,566</u>	<u>1,870,699</u>
<b>Capital and reserves</b>			
Called up share capital	18	200	200
Profit and loss account	19	2,386,366	1,870,499
<b>Shareholders funds</b>		<u>2,386,566</u>	<u>1,870,699</u>

These financial statements were approved by the board of directors and authorised for issue on 11 Dec '20, and are signed on behalf of the board by:



OT Osazee  
Director

Company registration number: 05038793

The notes on pages 12 to 21 form part of these financial statements.

# Apex Resources Limited

## Statement of Cash Flows

Year ended 29 February 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	515,867	357,367
<i>Adjustments for:</i>		
Depreciation of tangible assets	32,589	32,914
Interest payable and similar expenses	255,468	321,377
Tax on profit	161,852	119,518
Accrued expenses/(income)	218,605	(644,833)
<i>Changes in:</i>		
Trade and other debtors	(3,874)	(210,240)
Trade and other creditors	300,981	49,845
Cash generated from operations	1,481,488	25,948
Interest paid	(255,468)	(321,377)
Tax paid	(121,384)	(131,421)
Net cash from/(used in) operating activities	<u>1,104,636</u>	<u>(426,850)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<u>(9,436)</u>	<u>(21,971)</u>
Net cash used in investing activities	<u>(9,436)</u>	<u>(21,971)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(1,175,591)	(125,333)
Dividends paid	—	(80,720)
Net cash used in financing activities	<u>(1,175,591)</u>	<u>(206,053)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(80,391)</u>	<u>(654,874)</u>
<b>Cash and cash equivalents at beginning of year</b>	264,179	919,053
<b>Cash and cash equivalents at end of year</b>	<u>183,788</u>	<u>264,179</u>

The notes on pages 12 to 21 form part of these financial statements.

# Apex Resources Limited

## Notes to the Financial Statements

Year ended 29 February 2020

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### 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 29 February 2020

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### 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 it is probable the expenses recognised will be recovered.

#### 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 29 February 2020

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### 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 29 February 2020

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### 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:

	2020	2019
	£	£
Rendering of services	<u>49,975,924</u>	<u>49,028,286</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:

	2020	2019
	£	£
Depreciation of tangible assets	32,589	32,914
Impairment of trade debtors	<u>148,613</u>	<u>626,759</u>

### 6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>9,000</u>	<u>8,750</u>

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 February 2020

### 7. Staff costs

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

	2020 No.	2019 No.
Administrative staff	<u>75</u>	<u>75</u>

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

	2020 £	2019 £
Wages and salaries	2,885,836	2,663,342
Social security costs	329,596	287,207
Other pension costs	<u>57,913</u>	<u>41,704</u>
	<u>3,273,345</u>	<u>2,992,253</u>

### 8. Director's remuneration

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

	2020 £	2019 £
Remuneration	<u>11,186</u>	<u>15,286</u>

### 9. Interest payable and similar expenses

	2020 £	2019 £
Interest on banks loans and overdrafts	255,468	320,962
Other interest payable and similar charges	<u>–</u>	<u>415</u>
	<u>255,468</u>	<u>321,377</u>

### 10. Tax on profit

#### Major components of tax expense

	2020 £	2019 £
<b>Current tax:</b>		
UK current tax expense	209,307	121,384
Adjustments in respect of prior periods	<u>–</u>	<u>(1)</u>
Total current tax	<u>209,307</u>	<u>121,383</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(47,455)</u>	<u>(1,865)</u>
<b>Tax on profit</b>	<u>161,852</u>	<u>119,518</u>

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

### Year ended 29 February 2020

#### 10. Tax on profit *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	677,719	476,885
Profit on ordinary activities by rate of tax	128,767	90,608
Effect of expenses not deductible for tax purposes	33,085	28,910
Tax on profit	161,852	119,518

#### 11. Dividends

	2020 £	2019 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	—	80,720

#### 12. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Leasehold property improvements £	Total £
<b>Cost</b>					
At 1 March 2019	44,079	10,375	77,205	163,481	295,140
Additions	2,118	—	2,746	4,572	9,436
<b>At 29 February 2020</b>	<b>46,197</b>	<b>10,375</b>	<b>79,951</b>	<b>168,053</b>	<b>304,576</b>
<b>Depreciation</b>					
At 1 March 2019	34,029	9,375	43,247	83,724	170,375
Charge for the year	5,160	500	13,610	13,319	32,589
<b>At 29 February 2020</b>	<b>39,189</b>	<b>9,875</b>	<b>56,857</b>	<b>97,043</b>	<b>202,964</b>
<b>Carrying amount</b>					
<b>At 29 February 2020</b>	<b>7,008</b>	<b>500</b>	<b>23,094</b>	<b>71,010</b>	<b>101,612</b>
At 28 February 2019	10,050	1,000	33,958	79,757	124,765

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 February 2020

### 13. Debtors

	2020 £	2019 £
Trade debtors	6,533,463	6,510,996
Deferred tax asset	46,208	–
Prepayments and accrued income	108,559	96,626
Director's loan account	169,492	222,444
Other debtors	91,477	54,530
	<u>6,949,199</u>	<u>6,884,596</u>

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

	2020 £	2019 £
Other debtors	<u>55,085</u>	<u>23,563</u>

### 14. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	2,276,453	3,452,044
Trade creditors	1,194,065	940,432
Accruals and deferred income	1,039,445	806,319
Corporation tax	209,307	121,384
Social security and other taxes	118,804	72,039
Other creditors	9,959	9,376
	<u>4,848,033</u>	<u>5,401,594</u>

Bank loans and overdrafts includes £2,276,453 (2019 - £3,452,044) which is secured on trade debtors.

### 15. Provisions

	Deferred tax (note 16) £
At 1 March 2019	1,247
Charge against provision	<u>(1,247)</u>
At 29 February 2020	<u>–</u>

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 February 2020

### 16. Deferred tax

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

	2020 £	2019 £
Included in debtors (note 13)	46,208	–
Included in provisions (note 15)	–	(1,247)
	<u>46,208</u>	<u>(1,247)</u>

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

	2020 £	2019 £
Accelerated capital allowances	–	1,247
Short-term timing differences	(46,208)	–
	<u>(46,208)</u>	<u>1,247</u>

### 17. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £57,913 (2019: £41,704).

### 18. Called up share capital

#### Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

### 19. Reserves

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

### 20. Analysis of changes in net debt

	At 1 Mar 2019 £	Cash flows £	At 29 Feb 2020 £
Cash at bank and in hand	264,179	(80,391)	183,788
Debt due within one year	(3,452,044)	1,175,591	(2,276,453)
	<u>(3,187,865)</u>	<u>1,095,200</u>	<u>(2,092,665)</u>

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

### Year ended 29 February 2020

#### 21. Operating leases

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

	2020 £	2019 £
Not later than 1 year	240,680	176,525
Later than 1 year and not later than 5 years	727,794	43,189
	<u>968,474</u>	<u>219,714</u>

#### 22. Implications of Covid-19

Use of the government's furlough scheme has enabled us to reduce overhead costs, retain valuable staff and mitigate the adverse financial impact of the pandemic on the company. Turnover has improved significantly in recent months and we have now returned to profitable operation. In the medium to longer term, the government's response to the economic impacts of the pandemic is to promote infrastructure projects. This is expected to have a positive impact on revenues.

At 30 September 2020 the company had share capital and reserves of £2,392,000, net current assets of £2,291,000, cash balances of £183,000 and is operating within the terms of its bank financing arrangements.

The director is therefore satisfied that the company has adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements.

#### 23. Director's advances, credits and guarantees

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

	2020			
	Balance brought forward £	Advances/ (credits) to the director £	Amounts repaid £	Balance outstanding £
OT Osazee	149,944	–	(52,952)	96,992
H Brady	72,500	–	–	72,500
	<u>222,444</u>	<u>–</u>	<u>(52,952)</u>	<u>169,492</u>

	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>

No interest is charged on directors' advances.

# Apex Resources Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 February 2020

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### **24. Related party transactions**

OT Osazee is a director and shareholder. During the year OT Osazee received a dividend of £nil (2019: £20,180).

During the year, the company acquired services from companies under the control of the director. The charge for these services was £210,448 (2019: £628,284). At 29 February 2020, amounts due to companies under the control of the director was £157,177 (2019: £335,892).

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 £499,417 (2019: £409,663).

### **25. Controlling party**

The company is controlled by OT Osazee via his position as sole director of the company.