

**Apex Resources Limited**  
**Financial Statements**  
**28 February 2018**



**COLLETT HULANCE LLP**  
Chartered accountant & statutory auditor  
40 Kimbolton Road  
Bedford  
MK40 2NR

# **Apex Resources Limited**

## **Financial Statements**

**Year ended 28 February 2018**

---

<b>Contents</b>	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>2</b>
Independent auditor's report to the members	<b>4</b>
Statement of income and retained earnings	<b>8</b>
Statement of financial position	<b>9</b>
Statement of cash flows	<b>10</b>
Notes to the financial statements	<b>11</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	<b>22</b>
Notes to the detailed income statement	<b>23</b>

---

# Apex Resources Limited

## Strategic Report

Year ended 28 February 2018

---

### Business review

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

The company again achieved an increase in turnover to £50,931,412 (2017: £46,351,958). Operating profit increased to £876,023 (2017: £783,182). Profit for the year before taxation was £492,939 (2017: £439,433).

The company's net current assets increased to £1,461,456 (2017: £1,171,818). Shareholders' funds increased to £1,594,052 (2017: £1,324,022) after dividend payments of £108,240 (2017: £118,080).

### Key performance indicators

A key indicator is turnover levels, which is an indicator of increase in market share. Projections are of continuing growth and expansion.

### Future developments for the business

The director continues 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

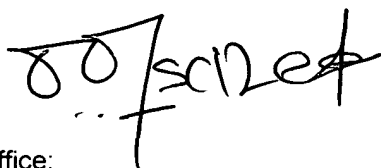
Management have demonstrated an ability to improve market share and expect this improvement to continue.

### 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 28/01/19 and signed on behalf of the board by:

OT Osazee  
Director



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

# **Apex Resources Limited**

## **Directors' Report**

### **Year ended 28 February 2018**

---

The directors present their report and the financial statements of the company for the year ended 28 February 2018.

#### **Directors**

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

OT Osazee  
H Brady

#### **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.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' 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 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 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 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 Resources Limited

## Directors' Report *(continued)*

Year ended 28 February 2018

---

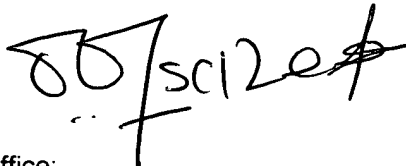
### Auditor

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 28/01/19..... and signed on behalf of the board by:

OT Osazee  
Director

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

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 2018**

---

### **Opinion**

We have audited the financial statements of Apex Resources Limited (the 'company') for the year ended 28 February 2018 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 2018 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Apex Resources Limited**

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

*(continued)*

**Year ended 28 February 2018**

---

### **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 directors are 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 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 directors' 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 directors' 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 2018**

---

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

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 directors.
  - Conclude on the appropriateness of the directors' 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.
-

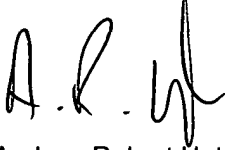
# Apex Resources Limited

## Independent Auditor's Report to the Members of Apex Resources Limited (continued)

Year ended 28 February 2018

---

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 accountant & statutory auditor  
40 Kimbolton Road  
Bedford  
MK40 2NR

29th January 2019.

# Apex Resources Limited

## Statement of Income and Retained Earnings

Year ended 28 February 2018

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	50,931,412	46,351,958
Cost of sales		45,001,335	41,230,005
<b>Gross profit</b>		<u>5,930,077</u>	<u>5,121,953</u>
Administrative expenses		5,145,443	4,433,622
Other operating income		91,389	94,851
<b>Operating profit</b>	<b>5</b>	<u>876,023</u>	<u>783,182</u>
Interest payable and similar expenses	<b>9</b>	383,084	343,749
<b>Profit before taxation</b>		<u>492,939</u>	<u>439,433</u>
Tax on profit	<b>10</b>	114,669	105,103
<b>Profit for the financial year and total comprehensive income</b>		<u><u>378,270</u></u>	<u><u>334,330</u></u>
Dividends paid and payable	<b>11</b>	(108,240)	(118,080)
<b>Retained earnings at the start of the year</b>		<u>1,323,822</u>	<u>1,107,572</u>
<b>Retained earnings at the end of the year</b>		<u><u>1,593,852</u></u>	<u><u>1,323,822</u></u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

# Apex Resources Limited

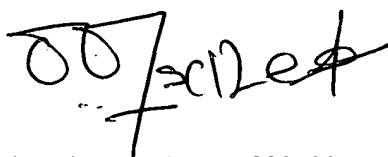
## Statement of Financial Position

28 February 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	135,708	152,204
<b>Current assets</b>			
Debtors	13	7,524,511	6,831,314
Cash at bank and in hand		919,053	844,466
		<u>8,443,564</u>	<u>7,675,780</u>
<b>Creditors: amounts falling due within one year</b>	14	6,982,108	6,503,962
<b>Net current assets</b>		<u>1,461,456</u>	<u>1,171,818</u>
<b>Total assets less current liabilities</b>		<u>1,597,164</u>	<u>1,324,022</u>
<b>Provisions</b>	15	3,112	–
<b>Net assets</b>		<u>1,594,052</u>	<u>1,324,022</u>
<b>Capital and reserves</b>			
Called up share capital	19	200	200
Profit and loss account	20	1,593,852	1,323,822
<b>Shareholders funds</b>		<u>1,594,052</u>	<u>1,324,022</u>

These financial statements were approved by the board of directors and authorised for issue on 28/01/19, and are signed on behalf of the board by:

OT Osazee  
Director



Company registration number: 05038793

The notes on pages 11 to 20 form part of these financial statements.

# Apex Resources Limited

## Statement of Cash Flows

Year ended 28 February 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	378,270	334,330
<i>Adjustments for:</i>		
Depreciation of tangible assets	29,132	26,197
Interest payable and similar expenses	383,084	343,749
Tax on profit	114,669	105,103
Accrued expenses/(income)	10,708	(72,359)
<i>Changes in:</i>		
Trade and other debtors	(662,978)	(429,741)
Trade and other creditors	(55,709)	171,652
Cash generated from operations	197,176	478,931
Interest paid	(383,084)	(343,749)
Tax paid	(91,127)	(95,498)
Net cash (used in)/from operating activities	<u>(277,035)</u>	<u>39,684</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<u>(12,636)</u>	<u>(28,782)</u>
Net cash used in investing activities	<u>(12,636)</u>	<u>(28,782)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	472,498	209,021
Dividends paid	<u>(108,240)</u>	<u>(118,080)</u>
Net cash from financing activities	<u>364,258</u>	<u>90,941</u>
<b>Net increase in cash and cash equivalents</b>	74,587	101,843
<b>Cash and cash equivalents at beginning of year</b>	844,466	742,623
<b>Cash and cash equivalents at end of year</b>	<u>919,053</u>	<u>844,466</u>

The notes on pages 11 to 20 form part of these financial statements.

# Apex Resources Limited

## Notes to the Financial Statements

Year ended 28 February 2018

---

### 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 2018

---

### 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.

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### 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.

# Apex Resources Limited

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

Year ended 28 February 2018

---

### 3. Accounting policies *(continued)*

#### 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.

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.

# Apex Resources Limited

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

Year ended 28 February 2018

---

### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

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.

#### 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:

	2018 £	2017 £
Rendering of services	<u>50,931,412</u>	<u>46,351,958</u>

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

# Apex Resources Limited

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

Year ended 28 February 2018

### 5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	29,132	26,197
Impairment of trade debtors	357,493	78,446
Foreign exchange differences	—	11,762
	<u>          </u>	<u>          </u>

### 6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>8,500</u>	<u>8,000</u>

### 7. Staff costs

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

	2018	2017
	No.	No.
Administrative staff	<u>84</u>	<u>75</u>

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

	2018	2017
	£	£
Wages and salaries	2,860,845	2,661,110
Social security costs	292,975	301,514
Other pension costs	31,175	112,493
	<u>3,184,995</u>	<u>3,075,117</u>

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	19,858	18,515
Company contributions to defined contribution pension plans	15,326	100,000
	<u>35,184</u>	<u>118,515</u>

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

	2018	2017
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

# Apex Resources Limited

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

Year ended 28 February 2018

### 9. Interest payable and similar expenses

	2018 £	2017 £
Interest on banks loans and overdrafts	383,084	343,656
Other interest payable and similar charges	—	93
	<u>383,084</u>	<u>343,749</u>

### 10. Tax on profit

#### Major components of tax expense

	2018 £	2017 £
<b>Current tax:</b>		
UK current tax expense	107,859	114,690
Adjustments in respect of prior periods	—	(58)
Total current tax	<u>107,859</u>	<u>114,632</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	6,810	(9,529)
<b>Tax on profit</b>	<u>114,669</u>	<u>105,103</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	492,939	439,433
Profit on ordinary activities by rate of tax	93,658	87,887
Adjustment to tax charge in respect of prior periods	—	(58)
Effect of expenses not deductible for tax purposes	20,347	17,274
Effect of different UK tax rates on some earnings	664	—
Tax on profit	<u>114,669</u>	<u>105,103</u>

### 11. Dividends

	2018 £	2017 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>108,240</u>	<u>118,080</u>

# Apex Resources Limited

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

Year ended 28 February 2018

### 12. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Leasehold property improvements £	Total £
<b>Cost</b>					
At 1 March 2017	42,305	10,375	52,488	155,365	260,533
Additions	367	–	9,689	2,580	12,636
<b>At 28 February 2018</b>	<u>42,672</u>	<u>10,375</u>	<u>62,177</u>	<u>157,945</u>	<u>273,169</u>
<b>Depreciation</b>					
At 1 March 2017	22,902	8,375	18,300	58,752	108,329
Charge for the year	5,620	500	10,842	12,170	29,132
<b>At 28 February 2018</b>	<u>28,522</u>	<u>8,875</u>	<u>29,142</u>	<u>70,922</u>	<u>137,461</u>
<b>Carrying amount</b>					
<b>At 28 February 2018</b>	<u>14,150</u>	<u>1,500</u>	<u>33,035</u>	<u>87,023</u>	<u>135,708</u>
At 28 February 2017	<u>19,403</u>	<u>2,000</u>	<u>34,188</u>	<u>96,613</u>	<u>152,204</u>

### 13. Debtors

	2018 £	2017 £
Trade debtors	6,253,597	5,914,510
Deferred tax asset	–	3,698
Prepayments and accrued income	919,273	891,961
Directors loan account	254,494	–
Other debtors	97,147	21,145
	<u>7,524,511</u>	<u>6,831,314</u>

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

	2018 £	2017 £
Other debtors	<u>23,563</u>	<u>–</u>

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

	2018 £	2017 £
Bank loans and overdrafts	3,577,377	3,104,879
Trade creditors	909,772	900,498
Accruals and deferred income	2,301,307	2,256,682
Corporation tax	131,422	114,690
Social security and other taxes	62,230	127,213
	<u>6,982,108</u>	<u>6,503,962</u>

# Apex Resources Limited

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

Year ended 28 February 2018

---

### 14. Creditors: amounts falling due within one year *(continued)*

Bank loans and overdrafts includes £3,577,377 (2017 - £3,104,879) which is secured on trade debtors.

### 15. Provisions

	Deferred tax (note 16) £
At 1 March 2017	–
Additions	3,112
<b>At 28 February 2018</b>	<b><u>3,112</u></b>

### 16. Deferred tax

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

	2018 £	2017 £
Included in debtors (note 13)	–	3,698
Included in provisions (note 15)	(3,112)	–
	<b><u>(3,112)</u></b>	<b><u>3,698</u></b>

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

	2018 £	2017 £
Accelerated capital allowances	3,112	6,302
Pension plan obligations	–	(10,000)
	<b><u>3,112</u></b>	<b><u>(3,698)</u></b>

### 17. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £31,175 (2017: £112,493).

### 18. Financial instruments

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

	2018 £	2017 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<b><u>6,533,868</u></b>	<b><u>5,935,655</u></b>

# Apex Resources Limited

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

Year ended 28 February 2018

---

### 18. Financial instruments *(continued)*

	2018 £	2017 £
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>4,487,149</u>	<u>4,005,377</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

	2018		2017	
	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.

### 21. Operating leases

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

	2018 £	2017 £
Not later than 1 year	186,773	190,493
Later than 1 year and not later than 5 years	<u>121,548</u>	<u>281,461</u>
	<u>308,321</u>	<u>471,954</u>

# Apex Resources Limited

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

Year ended 28 February 2018

### 22. Directors' advances, credits and guarantees

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

2018				
	Balance brought forward £	Advances/ (credits) to the directors £	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>

2017				
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
OT Osazee	165,580	–	(165,580)	–
H Brady	84,658	–	(84,658)	–
	<u>250,238</u>	<u>–</u>	<u>(250,238)</u>	<u>–</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 £54,120 (2017: £59,040).

During the year, the company acquired services from companies under the control of directors. The charge for these services was £1,005,956 (2017: £1,011,960). At 28 February 2018, amounts due to companies under the control of directors was £708,132 (2017: £640,000).

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 £423,451 (2017: £624,920).

### 24. Controlling party

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