

COMPANY REGISTRATION NO. 05038793 (England and Wales)

APEX RESOURCES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

APEX RESOURCES LIMITED

COMPANY INFORMATION

Director	Mr O T Osazee
Secretary	Mr O T Osazee
Company number	05038793
Registered office	Apex House Bridle Path Watford WD17 1UE
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW

APEX RESOURCES LIMITED

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APEX RESOURCES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2021

The director presents the strategic report for the year ended 28 February 2021.

Fair review of the business

As a result of the Coronavirus pandemic and Brexit turnover decreased to £34,856,908 (2020: £49,975,924), and profit for the year before taxation decreased to £459,150 (2020: £677,719).

The company's net current assets increased to £2,670,247 (£2,284,954). Shareholders' funds increased to £2,746,999 (2020: £2,386,566).

Brexit has led to labour shortages in the construction industry. This has led to increased labour costs and consequently increased charge rates. This has squeezed our margins on the supply of trades but we have maintained our margins on the supply of labour. The restriction on foreign labour coming to UK means that labour shortages are set to continue.

The Coronavirus pandemic had a significant impact on the business at the start of the financial year due to local and national lockdowns. The lockdowns resulted in the business being closed for 4 months which resulted in the decline in turnover noted above. Following the relaxation on restrictions in the construction industry we have seen the business get back to normal levels of trade.

Overall gross profit percentage decreased from 11.9% to 10.7%, this is the key measure of operating effectiveness; the decrease was due to factors (Brexit and Coronavirus) beyond our control. We benefited from the Coronavirus Job Retention Scheme and other Coronavirus funding totalling £560,453 which partially compensated for the lack of trade in lockdown.

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.

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 customer to ensure full compliance with all current and prospective laws.

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 as a result of the Coronavirus pandemic impact.

On behalf of the board

Mr O T Osazee
Director

22 November 2021

APEX RESOURCES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

The director presents his annual report and financial statements for the year ended 28 February 2021.

Principal activities

The principal activity of the company continued to be that of supply of labour to the construction industry.

Results and dividends

The results for the year are set out on page 7.

No interim dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr O T Osazee

Future developments

Despite the challenges caused by Brexit, management continue to focus on growth and suitable locations for new branches.

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

On behalf of the board

Mr O T Osazee
Director

22 November 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX RESOURCES LIMITED

Opinion

We have audited the financial statements of Apex Resources Limited (the 'company') for the year ended 28 February 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

APEX RESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF APEX RESOURCES LIMITED

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 and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF APEX RESOURCES LIMITED**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 him 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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

22 November 2021

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

APEX RESOURCES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	2021 £	2020 £
Turnover	3	34,856,908	49,975,924
Cost of sales		(31,140,303)	(44,043,538)
Gross profit		3,716,605	5,932,386
Administrative expenses		(3,749,194)	(5,056,972)
Other operating income	4	678,498	57,773
Operating profit	5	645,909	933,187
Interest receivable and similar income	8	2,462	-
Interest payable and similar expenses	9	(189,221)	(255,468)
Profit before taxation		459,150	677,719
Tax on profit	10	(98,717)	(161,852)
Profit for the financial year		360,433	515,867

The profit and loss account has been prepared on the basis that all operations are continuing operations.

APEX RESOURCES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	2021	2020
	£	£
Profit for the year	360,433	515,867
Other comprehensive income	-	-
Total comprehensive income for the year	<u>360,433</u>	<u>515,867</u>

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BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		81,675		101,612
Current assets					
Debtors	12	7,385,686		6,949,199	
Cash at bank and in hand		31,306		183,788	
		<u>7,416,992</u>		<u>7,132,987</u>	
Creditors: amounts falling due within one year	13	<u>(4,746,745)</u>		<u>(4,848,033)</u>	
Net current assets			<u>2,670,247</u>		<u>2,284,954</u>
Total assets less current liabilities			<u>2,751,922</u>		<u>2,386,566</u>
Provisions for liabilities					
Deferred tax liability	15	<u>4,923</u>	<u>(4,923)</u>	<u>-</u>	<u>-</u>
Net assets			<u><u>2,746,999</u></u>		<u><u>2,386,566</u></u>
Capital and reserves					
Called up share capital	17		200		200
Profit and loss reserves			<u>2,746,799</u>		<u>2,386,366</u>
Total equity			<u><u>2,746,999</u></u>		<u><u>2,386,566</u></u>

The financial statements were approved and signed by the director and authorised for issue on 22 November 2021

Mr O T Osazee
Director

Company Registration No. 05038793

APEX RESOURCES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 March 2019	200	1,870,499	1,870,699
Year ended 29 February 2020:			
Profit and total comprehensive income for the year	-	515,867	515,867
	<hr/>	<hr/>	<hr/>
Balance at 29 February 2020	200	2,386,366	2,386,566
Year ended 28 February 2021:			
Profit and total comprehensive income for the year	-	360,433	360,433
	<hr/>	<hr/>	<hr/>
Balance at 28 February 2021	200	2,746,799	2,746,999
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	22	89,378	1,481,488
Interest paid		(189,221)	(255,468)
Income taxes paid		(199,639)	(121,384)
Net cash (outflow)/inflow from operating activities		(299,482)	1,104,636
Investing activities			
Purchase of tangible fixed assets		(9,183)	(9,436)
Net cash used in investing activities		(9,183)	(9,436)
Net (decrease)/increase in cash and cash equivalents		(308,665)	1,095,200
Cash and cash equivalents at beginning of year		(2,092,665)	(3,187,865)
Cash and cash equivalents at end of year		(2,401,330)	(2,092,665)
Relating to:			
Cash at bank and in hand		31,306	183,788
Bank overdrafts included in creditors payable within one year		(2,432,636)	(2,276,453)

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

Company information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and rebates.

Revenue from the rendering of services is recognised by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and equipment	20% straight line
Equipment	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

APEX RESOURCES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 28 FEBRUARY 2021**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

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.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Rendering of services	34,856,908	49,975,924

	2021	2020
	£	£
Other significant revenue		
Interest income	2,462	-
Grants received (note 4)	560,453	-

4 Other operating income

	2021	2020
	£	£
Rent receivable	86,045	57,773
Coronavirus job retention scheme	517,953	-
Business support grants	42,500	-
Other	32,000	-
	678,498	57,773

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(560,453)	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,000	9,000
Depreciation of owned tangible fixed assets	29,120	32,589
Operating lease charges	310,080	176,525
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Administrative staff	64	75
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,403,430	2,885,836
Social security costs	252,923	329,596
Pension costs	48,838	57,913
	<u> </u>	<u> </u>
	2,705,191	3,273,345
	<u> </u>	<u> </u>

7 Director's remuneration

	2021	2020
	£	£
Remuneration for qualifying services	8,100	11,186
	<u> </u>	<u> </u>

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Other interest income	2,462	-
	<u> </u>	<u> </u>

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	56,243	113,784
Other finance costs:		
Other	132,978	141,684
	<u>189,221</u>	<u>255,468</u>

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	57,254	209,307
Adjustments in respect of prior periods	(9,668)	-
Total current tax	<u>47,586</u>	<u>209,307</u>
Deferred tax		
Origination and reversal of timing differences	43,156	(47,455)
Adjustment in respect of prior periods	7,975	-
Total deferred tax	<u>51,131</u>	<u>(47,455)</u>
Total tax charge	<u>98,717</u>	<u>161,852</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	<u>459,150</u>	<u>677,719</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	87,239	128,767
Tax effect of expenses that are not deductible in determining taxable profit	9,526	33,085
Adjustments in respect of prior years	(9,668)	-
Depreciation on assets not qualifying for tax allowances	2,149	-
Deferred tax adjustments in respect of prior years	7,975	-
Depreciation in excess of capital allowances	1,496	-
Taxation charge for the year	<u>98,717</u>	<u>161,852</u>

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

11 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 March 2020	168,053	46,197	79,951	10,375	304,576
Additions	-	2,520	6,663	-	9,183
At 28 February 2021	168,053	48,717	86,614	10,375	313,759
Depreciation and impairment					
At 1 March 2020	97,043	39,189	56,857	9,875	202,964
Depreciation charged in the year	13,396	4,248	10,976	500	29,120
At 28 February 2021	110,439	43,437	67,833	10,375	232,084
Carrying amount					
At 28 February 2021	57,614	5,280	18,781	-	81,675
At 29 February 2020	71,010	7,008	23,094	500	101,612

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	5,977,342	6,533,463
Other debtors	304,998	205,884
Prepayments and accrued income	1,071,824	108,559
	7,354,164	6,847,906
Deferred tax asset (note 15)	-	46,208
	7,354,164	6,894,114
Amounts falling due after more than one year:		
Other debtors	31,522	55,085
Total debtors	7,385,686	6,949,199

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	2,432,636	2,276,453
Trade creditors		959,422	1,194,065
Corporation tax		57,254	209,307
Other taxation and social security		122,336	118,804
Other creditors		38,916	9,959
Accruals and deferred income		1,136,181	1,039,445
		<u>4,746,745</u>	<u>4,848,033</u>

14 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	<u>2,432,636</u>	<u>2,276,453</u>
Payable within one year	<u>2,432,636</u>	<u>2,276,453</u>

Bank loans and overdrafts include £2,066,144 (2020: £2,276,453) related to invoice finance facilities which are secured against trade debtors.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Balances:				
Accelerated capital allowances	6,479	-	-	-
Short term timing differences	(1,556)	-	-	46,208
	<u>4,923</u>	<u>-</u>	<u>-</u>	<u>46,208</u>
Movements in the year:				2021 £
Asset at 1 March 2020				(46,208)
Charge to profit or loss				51,131
Liability at 28 February 2021				<u>4,923</u>

APEX RESOURCES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021****16 Retirement benefit schemes**

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	48,838	57,913
	<u>48,838</u>	<u>57,913</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end the company had outstanding pension contributions of £9,789 (2020: £10,476), this amount being included within creditors due within one year.

17 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	200	200	200	200
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

18 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	184,179	240,680
Between two and five years	438,043	727,794
	<u>622,222</u>	<u>968,474</u>

At the reporting end date the total future minimum sublease payments expected to be received under non-cancellable subleases was £169,680.

19 Related party transactions**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

Other information

During the year, the company acquired services from companies under the control of the director. The charge for these services was £495,772 (2020: £123,872). At 28 February 2021, amounts due to companies under the control of the director was £505,586 (2020: £245,759), which are included within creditors.

During the year, the company paid rent for the office building to a company under the control of the director. The charge for this rent was £140,088 (2020: £186,784). At 28 February 2021, amounts due to companies under the control of the director was £46,696, which are included within creditors.

As at 28 February 2021 there is an amount owing from the estate of H Brady, shareholder, totalling £72,500 (2020: £72,500) this amount is included with other debtors at the year end.

APEX RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021

20 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Closing balance
		£	£	£	£
Mr O T Osazee - Loan account	2.50	96,992	1,498	2,462	100,952
		<u>96,992</u>	<u>1,498</u>	<u>2,462</u>	<u>100,952</u>

21 Ultimate controlling party

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

22 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	360,433	515,867
Adjustments for:		
Taxation charged	98,717	161,852
Finance costs	189,221	255,468
Investment income	(2,462)	-
Depreciation and impairment of tangible fixed assets	29,120	32,589
Movements in working capital:		
Increase in debtors	(480,233)	(27,771)
(Decrease)/increase in creditors	(105,418)	543,483
Cash generated from operations	<u>89,378</u>	<u>1,481,488</u>

23 Analysis of changes in net debt

	1 March 2020	Cash flows	28 February 2021
	£	£	£
Cash at bank and in hand	183,788	(152,482)	31,306
Bank overdrafts	(2,276,453)	(156,183)	(2,432,636)
	<u>(2,092,665)</u>	<u>(308,665)</u>	<u>(2,401,330)</u>

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