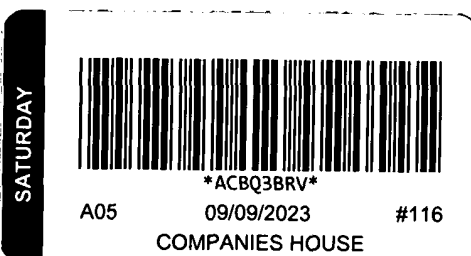


Company Registration No. 03768390 (England and Wales)

AA PROJECTS LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



AA PROJECTS LIMITED

COMPANY INFORMATION

Directors	N Grindrod C Thorpe N A Fyles K M Wood M C Simpson S Hempel	(Appointed 1 January 2023)
Secretary	N Grindrod	
Company number	03768390	
Registered office	Jackson House Sibson Road Sale Manchester M33 7RR	
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT	
Business address	Jackson House Sibson Road Sale Manchester M33 7RR	
Bankers	HSBC 11 Stamford New Road Altrincham Cheshire WA14 1BW	

AA PROJECTS LIMITED

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AA PROJECTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

Turnover increased during the year by 17.88%. Operating profit for the year was £6,316,455 a further increase in the operating margin to 25.75%. This reflects the significant overachievement against company targets along with some cost efficiencies retained with the hybrid working policy adopted since the Covid-19 pandemic. Investments in staff, new offices and IT infrastructure have added to the company's plan for diversification and growth.

There are three sectors that contribute over 10% each of the Company's turnover, which demonstrates our continued strong growth in the Academy, Further Education and Health sectors. These sectors are projected to continue due to expanding offers in both service and geography.

A further four sectors, Government, Higher Education, Housing and Hotel and Leisure are all contributing over 5% each of turnover, with strong growth in the Higher Education and Hotel and Leisure sectors following the challenging years during the Covid-19 pandemic. The Company's risks are further spread with consistent performance in the Statutory Education and Private Residential sectors and the emerging Transport and Infrastructure sector.

The Retail sector remains tough but is delivering a sustainable contribution to turnover and profitability.

Overall the investment in staff at all levels is providing growth in our target sectors and for our core services. In all cases the company's KPI's noted above have been calculated on a consistent basis with previous year's figures and are based directly on the amounts shown in the financial statements.

Risk management

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive and downward pressures in the market in which it operates. This risk is managed through a number of measures: ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; regular forecasting.

Business continuity risk

Business continuity risk planning is regarded with significant importance to the managers and directors. A full comprehensive disaster recovery plan and solution is in place so that the continuing needs of our clients can be met in the event of a significant event that negatively impacts on the business.

Health and safety risk

The company is committed to ensuring a safe working environment. The risks arising from inadequate management of health and safety matters are the exposure of employees and third parties to the risk of injury, potential liability and/or loss of reputation. These risks are managed by the company through the strong promotion of a health and safety culture and well defined health and safety policies.

AA PROJECTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board



K M Wood

Director

Date: 3 JUL 7 2023

AA PROJECTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of strategic property consultancy, project management, quantity surveying, building surveying, mechanical and electrical engineering and public health, facilities management, energy and sustainability consultancy and health and safety consultancy.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £778,778. The directors do not recommend payment of a final dividend.

Directors

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

N Grindrod
C Thorpe
N A Fyles
K M Wood
M C Simpson
M De Haan
S Hempel

(Resigned 1 January 2023)
(Appointed 1 January 2023)

Financial Instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

Future developments

AA Projects is looking to expand its geography into further UK, Ireland and North America locations to service existing clients and develop new ones. It is anticipated that this will include acquisitions and the addition of new services to compliment the existing core AA Projects services.

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.

Going concern

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

AA PROJECTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board



K M Wood
Director

Date: 3 July 2023

AA PROJECTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

AA PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AA PROJECTS LIMITED

Opinion

We have audited the financial statements of AA Projects Limited (the 'company') for the year ended 31 March 2023 which comprise 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors 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 directors are 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 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.

AA PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AA PROJECTS 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 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.

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.

Extent to which the audit was considered capable of detecting irregularities including fraud

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.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

□□

- the nature of the industry and sector, control environment and business performance;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Sales and income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

AA PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AA PROJECTS LIMITED

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- review of correspondence, enquiries of management and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.
- challenging assumptions and judgements made by management in their significant accounting estimates
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or manipulate expenditure and management bias in accounting estimates.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 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.

UHY Hacker Young Manchester LLP

Zoë Duffy BFP FCA

Senior Statutory Auditor

For and on behalf of UHY Hacker Young Manchester LLP

Date: *25/8/23*

Chartered Accountants

Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

AA PROJECTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

		2023 £	2022 £
	Notes		
Turnover	3	24,534,590	20,812,971
Cost of sales		(12,833,786)	(11,650,109)
Gross profit		11,700,804	9,162,862
Administrative expenses		(5,384,349)	(4,461,243)
Operating profit	4	6,316,455	4,701,619
Interest receivable and similar income	7	2,743	265
Interest payable and similar expenses	8	(14,008)	(9,497)
Profit before taxation		6,305,190	4,692,387
Tax on profit	9	(920,355)	(911,394)
Profit for the financial year		5,384,835	3,780,993

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

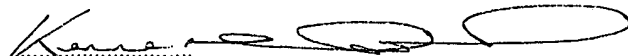
AA PROJECTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	11		46,335		37,004
Tangible assets	12		243,558		152,173
			<u>289,893</u>		<u>189,177</u>
Current assets					
Debtors	13	14,036,507		10,811,625	
Cash at bank and in hand		5,194,291		3,785,561	
		<u>19,230,798</u>		<u>14,597,186</u>	
Creditors: amounts falling due within one year	14	(6,158,979)		(6,049,895)	
Net current assets			<u>13,071,819</u>		<u>8,547,291</u>
Total assets less current liabilities			<u>13,361,712</u>		<u>8,736,468</u>
Provisions for liabilities					
Deferred tax liability	15	56,267		37,080	
		<u>(56,267)</u>		<u>(37,080)</u>	
Net assets			<u><u>13,305,445</u></u>		<u><u>8,699,388</u></u>
Capital and reserves					
Called up share capital	17		7,182		7,182
Capital redemption reserve	18		2,818		2,818
Profit and loss reserves	19		13,295,445		8,689,388
Total equity			<u><u>13,305,445</u></u>		<u><u>8,699,388</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31st 7 2023 and are signed on its behalf by:



K M Wood
Director

Company Registration No. 03768390

AA PROJECTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		7,182	2,818	7,804,620	7,814,620
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	3,780,993	3,780,993
Dividends	10	-	-	(2,896,225)	(2,896,225)
Balance at 31 March 2022		7,182	2,818	8,689,388	8,699,388
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	-	5,384,835	5,384,835
Dividends	10	-	-	(778,778)	(778,778)
Balance at 31 March 2023		7,182	2,818	13,295,445	13,305,445

AA PROJECTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	24	3,326,227		3,682,143	
Interest paid		(14,008)		(9,497)	
Income taxes paid		(895,468)		(781,593)	
Net cash inflow from operating activities		<u>2,416,751</u>		<u>2,891,053</u>	
Investing activities					
Purchase of intangible assets		(31,210)		(13,379)	
Purchase of tangible fixed assets		(200,776)		(68,950)	
Interest received		2,743		265	
Net cash used in investing activities		<u>(229,243)</u>		<u>(82,064)</u>	
Financing activities					
Dividends paid		(778,778)		(2,896,225)	
Net cash used in financing activities		<u>(778,778)</u>		<u>(2,896,225)</u>	
Net increase/(decrease) in cash and cash equivalents		1,408,730		(87,236)	
Cash and cash equivalents at beginning of year		3,785,561		3,872,797	
Cash and cash equivalents at end of year		<u>5,194,291</u>		<u>3,785,561</u>	

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

AA Projects Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jackson House, Sibson Road, Sale, Manchester, M33 7RR.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of AA Projects (2018) Limited. These consolidated financial statements are available from its registered office, Jackson House, Sibson Road, Sale, Manchester, M33 7RR.

1.2 Going concern

At the time of approving the financial statements, the directors have a strong expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue 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 volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. 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 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and representing the excess of the consideration given over the fair value of the identifiable net assets acquired, has been capitalised in the balance sheet and is amortised over its estimated economic life of three years.

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	25% straight line
----------	-------------------

1.6 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	4 - 10 years straight line
Fixtures, fittings & equipment	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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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.

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.

1.12 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.

1.13 Retirement benefits

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

1.14 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 leases asset are consumed.

1.15 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.

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Valuation of projects in progress

Included within income, debtors and creditors are estimated revenues relating to projects which were on going at the year end. The amounts recognised are to bring the revenues in line with the project's stage of completion at the year end date, based on the estimated time remaining to complete the project.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Rendering of services	24,534,590	20,812,971
	<u>24,534,590</u>	<u>20,812,971</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	23,441,806	19,828,138
Europe	993,034	891,033
ROW	99,750	93,800
	<u>24,534,590</u>	<u>20,812,971</u>
	2023 £	2022 £
Other revenue		
Interest income	2,743	265
	<u>2,743</u>	<u>265</u>

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(9,141)	8,163
Fees payable to the company's auditor for the audit of the company's financial statements	24,155	30,000
Depreciation of owned tangible fixed assets	106,525	84,859
Amortisation of intangible assets	21,879	16,895
Operating lease charges	365,512	376,845

5 Employees

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

	2023	2022
	Number	Number
Service staff	145	130
Administration staff	40	34
Total	185	164

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	8,733,426	7,515,995
Social security costs	952,825	769,317
Pension costs	1,121,370	962,971
	10,807,621	9,248,283

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	122,419	100,833
Company pension contributions to defined contribution schemes	86,520	84,000
	208,939	184,833

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 5).

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7	Interest receivable and similar income	2023	2022
		£	£
	Interest income		
	Interest on bank deposits	2,743	265
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2023	2022
		£	£
	Interest on bank overdrafts and loans	14,008	9,497
		<u> </u>	<u> </u>
9	Taxation	2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	1,179,584	896,720
	Adjustments in respect of prior periods	(278,416)	6,490
	Total current tax	<u>901,168</u>	<u>903,210</u>
	Deferred tax		
	Origination and reversal of timing differences	<u>19,187</u>	<u>8,184</u>
	Total tax charge	<u>920,355</u>	<u>911,394</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:			
		2023	2022
		£	£
	Profit before taxation	<u>6,305,190</u>	<u>4,692,387</u>
	Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	1,197,986	891,554
	Tax effect of expenses that are not deductible in determining taxable profit	9,403	8,188
	Adjustments in respect of prior years	(278,416)	(19)
	Other	-	7,343
	Remeasurement of deferred tax for changes in tax rates	4,605	9,021
	Fixed asset differences	<u>(13,223)</u>	<u>(4,693)</u>
	Taxation charge for the year	<u>920,355</u>	<u>911,394</u>

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

	2023 £	2022 £
Interim paid	778,778	2,896,225

11 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 April 2022	63,612	277,306	340,918
Additions	-	31,210	31,210
At 31 March 2023	63,612	308,516	372,128
Amortisation and impairment			
At 1 April 2022	63,612	240,302	303,914
Amortisation charged for the year	-	21,879	21,879
At 31 March 2023	63,612	262,181	325,793
Carrying amount			
At 31 March 2023	-	46,335	46,335
At 31 March 2022	-	37,004	37,004

12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2022	317,230	610,342	927,572
Additions	-	200,776	200,776
Disposals	(317,230)	(25,395)	(342,625)
At 31 March 2023	-	785,723	785,723
Depreciation and impairment			
At 1 April 2022	316,265	459,134	775,399
Depreciation charged in the year	579	105,946	106,525
Eliminated in respect of disposals	(316,844)	(22,915)	(339,759)
At 31 March 2023	-	542,165	542,165
Carrying amount			
At 31 March 2023	-	243,558	243,558
At 31 March 2022	965	151,208	152,173

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	4,568,172	3,817,578
Gross amounts owed by contract customers	1,165,713	937,643
Amounts owed by group undertakings	7,610,800	5,447,739
Prepayments and accrued income	691,822	608,665
	<u>14,036,507</u>	<u>10,811,625</u>

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Payments received on account	2,012,614	1,916,682
Trade creditors	1,504,853	1,190,015
Corporation tax	902,260	896,560
Other taxation and social security	1,069,992	1,071,664
Other creditors	34,320	59,390
Accruals and deferred income	634,940	915,584
	<u>6,158,979</u>	<u>6,049,895</u>

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023	Liabilities 2022
	£	£
Balances:		
ACAs	66,780	40,351
Other short term timing differences	(10,513)	(3,271)
	<u>56,267</u>	<u>37,080</u>
		2023
Movements in the year:		£
Liability at 1 April 2022		37,080
Charge to profit or loss		19,187
		<u>56,267</u>
Liability at 31 March 2023		

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,121,370	962,971

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. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

17 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	7,182	7,182	7,182	7,182

Called-up share capital - represents the nominal value of shares that have been issued.

18 Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

19 Profit and loss reserves

The profit and loss account includes all current and prior period retained profits and losses, net of dividends paid.

20 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:

	2023	2022
	£	£
Within one year	214,743	265,349
Between two and five years	338,050	8,304
	552,793	273,653

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of tangible fixed assets	-	99,443

22 Related party transactions

Transactions with related parties

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

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Drees & Sommer UK Ltd	98,000	-	9,600	-
Drees & Sommer TDD Manchester & Leeds	15,000	-	-	-
Drees & Sommer Nederland B.V	23,642	-	-	-
Drees & Sommer GmbH	-	-	6,619	-
Drees & Sommer Luxembourg S.a.r.l	-	-	71,798	-

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company of any wholly owned subsidiary undertaking of the group.

23 Ultimate controlling party

The immediate parent company is AA Projects Group Limited which is a subsidiary of AA Projects (2018) Limited. The registered office of both these companies is Jackson House, Sibson Road, Sale, Manchester, M33 7RR. Both companies are registered in England and Wales.

AA Projects (2018) Limited prepares group financial statements and copies can be obtained from its registered office.

The ultimate parent company is Drees & Sommer SE, a company registered in Germany.

From 31 December 2023 the largest and smallest group in which the results of the company will be consolidated is that headed by its ultimate parent company. The consolidated financial statements of the group will be available from Drees & Sommer SE, Obere Waldplätze 13, 70569, Stuttgart, Germany.

AA PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	5,384,835	3,780,993
Adjustments for:		
Taxation charged	920,355	911,394
Finance costs	14,008	9,497
Investment income	(2,743)	(265)
Amortisation and impairment of intangible assets	21,879	16,895
Depreciation and impairment of tangible fixed assets	106,525	84,859
Movements in working capital:		
Increase in debtors	(3,222,016)	(1,710,398)
Increase in creditors	103,384	589,168
Cash generated from operations	3,326,227	3,682,143

25 Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	3,785,561	1,408,730	5,194,291