

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2021
for
London Projects Limited

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for the Year Ended 31 March 2021

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London Projects Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:

N Stuttard
S Howat
M J Rixson

REGISTERED OFFICE:

55 Broadway
London
SW1H 0BD

REGISTERED NUMBER:

05522550 (England and Wales)

AUDITORS:

Lawrence Johns
Registered Auditors
164 Field End Road
Eastcote
Middlesex
HA5 1RH

BANKERS:

HSBC Plc
16 King Street
Covent Garden
London
WC2E 8JF

Strategic Report
for the Year Ended 31 March 2021

The directors present the strategic report and financial statements for the year ended 31 March 2020. This strategic report has been prepared in compliance with Section 414C of the Companies Act 2006 for the purpose of informing the members and helping them assess how the directors have performed their duty under Section 172 of the Companies Act 2006 to promote the success of the company.

Principal activities and review of the business

London Projects is a Chartered Institute of Building registered construction company operating predominantly in the London super prime residential market. The super prime market consists of the most desirable and aspirational properties in terms of location, quality, aesthetics and property value. Much of our work involves the restoration of historic and culturally important properties which are systemically complex. Being based in St James Park; we are immersed in the market in which we operate. We live and breathe central London and have a deep understanding of how the city operates.

The philosophy of the company has been built around excellence in everything we do. Our work is defined by meticulous detail, exemplary craftsmanship and high-quality materials. We pride ourselves in developing strong collaborative relationships and as such, a significant part of our work comes through recommendation.

This year the company has seen further success as measured by the company's key performance indicators, some of which are shown below. This is testament to the strength of leadership within the company and the outstanding quality of the work completed by all our staff and partners.

Financial Highlights

	31 March 2021	31 March 2020
Turnover	40,286,207	45,973,526
Gross Profit	2,764,837	4,476,236
Profit Before Tax	1,112,885	2,398,001

Earnings before interest, taxation, depreciation and amortisation (EBITDA) amounted to £1,169,843 (2020: £2,469,445).

The super prime sector has continued to be resilient in the face of continuing macroeconomic factors such as Brexit and fiscal and political uncertainties. From an international perspective London is still seen as a safe and stable place to invest in high quality property. Additionally, there continues to be a significant currency play for overseas buyers.

Covid-19 has continued to bring challenges. The figures presented here have allowed conservative provisions for the additional costs and potential time over runs within each project. London Projects meet technical uncertainty on every project and have responded to Covid-19 as another technical uncertainty. From the outset we have ensured that we have followed all the standard operating procedures, not only in line with the government guidance but beyond them. We have developed our own facial and temperature recognition system which is operational at all our sites including our offices. We have also implemented a daily on-line Covid-19 questionnaire which all our staff and stakeholders must use before entering any of our sites and an information film for all our site visitors. We hope this ensures that the welfare of all our stakeholders is secured.

Risk management

Business performance risk is the risk that the business may not perform as expected due to internal or external factors. As previously mentioned Covid-19 has been a major challenge to us during the year and to the world economy in general. The outcome of Brexit remains uncertain and as a business we monitor situations like this closely to fully understand the business risk. We implement all necessary measures to minimize risk and exposure. In terms of factors affecting the super prime sector in particular, we maintain close links with all parties within the sector to fully understand any incremental changes, and we closely analyse all available market data. We also fully engage with our supply chain to understand their pressures and to ensure a steady supply.

Strategic Report
for the Year Ended 31 March 2021

In terms of internal risks, London Projects mitigate these by employing highly competent professionals in every field. Each project has a designated team of project managers, quantity surveyors and designers, working closely with our clients and their professional teams. This ensures quality communication throughout the project life cycle and the very best outcomes. Our clients are at the leading edge in terms of architecture, design and expectations of quality. To this end we promote and encourage staff development, and research and development within the business. This ensures we can continue to offer innovative approaches to established processes which can often make projects more feasible.

Business continuity risk

The Covid-19 crisis has proven the need for an agile workforce. In response to the threat posed by pandemics and cyber threats for example, London Projects have invested heavily in developing a number of software products to enable remote working. These have enabled our workforce to remain active during the Covid-19 pandemic. We also have in place a comprehensive physical IT infrastructure and all the necessary safeguards to protect our data such as disaster recovery plans and processes for continuous monitoring of new cyber threats.

Health and Safety Risk

The company is committed to providing a safe working environment for all. As a baseline we ensure compliance with all necessary legislation and safe working practices, through the implementation of our health and safety policy. We employ health and safety professionals in house to educate our staff and continuously monitor risks. We are CHAS registered and hold regular company updates to ensure all our site staff are up to date with the latest health and safety legislation and training.

Financial Risks

Profit margin risk is managed by senior management during the commercial process. The use of benchmarking and acceptable hurdle rates ensures we do not engage in projects which fall below defined levels in terms of profitability.

Liquidity risk is managed on a daily basis. Cash forecasting enables the business to fully understand available cash headroom. The company do not have any current borrowings and the directors reinvest heavily back in to the business. This approach ensures a stable long-term platform and also means we can make less pressurised commercial decisions as discussed above. Facilities are on hand with our bankers if needed.

Credit Risk is managed by due diligence being performed at the tender stage. Deferred credit terms are granted to customers who demonstrate an appropriate payment history and satisfy credit checking procedures.

Inflation risks are mitigated by the use of DCF models at the tendering stage and by the forward purchasing of materials for projects.

Strong financial controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and long- term planning. The company exercises financial and business control through the combination of suitably qualified and experienced financial personnel; performance analysis; budgeting and cashflow forecasting and clearly defined authorisation limits, supported by integrated and proven systems.

Management Risks

Long term growth of the business depends on the company's ability to retain and attract high quality people. The risk is managed through the use of personal development plans for all staff. These plans are backed by specific policies in areas such as training, management development, performance management and CPD programs.

Review of the Business

The directors were pleased with the results for the year which are detailed on page 11. There was a gross margin reduction which is reflective of the aforementioned Covid-19 provisions and the increase in material costs seen across the sector. The business has invested heavily in management, training and research and development and expects to return to a growth trend going forward. This has added extra costs to overheads but we expect to see the benefits of this in the coming years.

Strategic Report
for the Year Ended 31 March 2021

Enquiries continue at increasing levels which reflects the quality of our product, our unrivalled reputation and client satisfaction. We have secured a significant part of our turnover for the year ended 2022 and a proportion of our forecast turnover for the year ended 2023. The investments we have made have enabled us to be agile throughout the pandemic but we remain vigilant to new threats and we are looking more at advanced technologies to protect our business model.

ON BEHALF OF THE BOARD:

N Stuttard - Director

27 December 2021

Report of the Directors
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

Under CA2006 s414C(11), the information relating to future developments and risk management are included in the strategic report.

PRINCIPAL ACTIVITY

This is covered in the Strategic Report.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2021 was £1,005,000 (2020: £1,100,100).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

N Stuttard
S Howat
M J Rixson

DONATIONS

The company made charitable donations during the year to the value of £5,000 (2020: £2,032).

RESULTS

The results for the year are set out on page 11.

DISABLED PERSONS

It has been the policy of the company throughout the year to encourage the employment and development of disabled employees. No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices. The policy provides that full and fair consideration will be given to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment.

EMPLOYEE INVOLVEMENT

Information is conveyed to employees by means of briefings or by way of statements posted on notice boards throughout the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Lawrence Johns, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N Stuttard - Director

27 December 2021

Opinion

We have audited the financial statements of London Projects Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 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 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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:

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, internal audit and the audit committee, including obtaining and reviewing supporting documentation concerning the company's 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 related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team indicators of fraud.

As part of this discussion, we identified potential fraud risks in relation to:

- the completeness and accuracy of work in progress, retentions and accruals.
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the Companies Act 2006, Tax legislation, and Regulations from the construction industry.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- completed focussed testing on the work in progress, retentions and accruals balances at 31 March 2021;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
London Projects Limited

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 a Report of the Auditors 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.

T M O'Keeffe (Senior Statutory Auditor)
for and on behalf of Lawrence Johns
Registered Auditors
164 Field End Road
Eastcote
Middlesex
HA5 1RH

27 December 2021

Statement of Comprehensive Income
for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
TURNOVER		40,286,207	45,973,526
Cost of sales		<u>37,521,370</u>	<u>41,497,290</u>
GROSS PROFIT		2,764,837	4,476,236
Administrative expenses		<u>1,933,668</u>	<u>2,095,109</u>
		831,169	2,381,127
Other operating income		<u>267,453</u>	<u>10,500</u>
OPERATING PROFIT	5	1,098,622	2,391,627
Interest receivable and similar income		<u>14,263</u>	<u>6,374</u>
PROFIT BEFORE TAXATION		1,112,885	2,398,001
Tax on profit	6	<u>219,528</u>	<u>461,424</u>
PROFIT FOR THE FINANCIAL YEAR		893,357	1,936,577
OTHER COMPREHENSIVE INCOME			
Prior year adjustments		-	2,467,371
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>2,467,371</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>893,357</u>	<u>4,403,948</u>

The notes form part of these financial statements

Balance Sheet
31 March 2021

	Notes	31.3.21 £	£	31.3.20 £	£
FIXED ASSETS					
Tangible assets	8		105,128		156,144
CURRENT ASSETS					
Debtors	9	9,846,079		7,818,512	
Cash at bank and in hand		<u>6,316,993</u>		<u>5,275,908</u>	
		16,163,072		13,094,420	
CREDITORS					
Amounts falling due within one year	10	<u>8,907,499</u>		<u>5,836,909</u>	
NET CURRENT ASSETS			<u>7,255,573</u>		<u>7,257,511</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,360,701		7,413,655
CREDITORS					
Amounts falling due after more than one year	11		(703,177)		(634,795)
PROVISIONS FOR LIABILITIES	12		<u>(19,975)</u>		<u>(29,668)</u>
NET ASSETS			<u><u>6,637,549</u></u>		<u><u>6,749,192</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		500		500
Retained earnings	14		<u>6,637,049</u>		<u>6,748,692</u>
SHAREHOLDERS' FUNDS			<u><u>6,637,549</u></u>		<u><u>6,749,192</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 December 2021 and were signed on its behalf by:

N Stuttard - Director

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	500	3,444,844	3,445,344
Changes in equity			
Dividends	-	(1,100,100)	(1,100,100)
Total comprehensive income	-	4,403,948	4,403,948
Balance at 31 March 2020	500	6,748,692	6,749,192
Changes in equity			
Dividends	-	(1,005,000)	(1,005,000)
Total comprehensive income	-	893,357	893,357
Balance at 31 March 2021	500	6,637,049	6,637,549

Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	2,661,809	2,133,098
Tax paid		<u>(609,782)</u>	<u>(654,098)</u>
Net cash from operating activities		<u>2,052,027</u>	<u>1,479,000</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,205)	(45,884)
Sale of tangible fixed assets		-	1,600
Interest received		<u>14,263</u>	<u>6,374</u>
Net cash from investing activities		<u>(5,942)</u>	<u>(37,910)</u>
Cash flows from financing activities			
Amount introduced by directors		-	150,000
Equity dividends paid		<u>(1,005,000)</u>	<u>(1,100,100)</u>
Net cash from financing activities		<u>(1,005,000)</u>	<u>(950,100)</u>
Increase in cash and cash equivalents		<u>1,041,085</u>	<u>490,990</u>
Cash and cash equivalents at beginning of year	2	5,275,908	4,784,918
Cash and cash equivalents at end of year	2	<u>6,316,993</u>	<u>5,275,908</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2021

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.21 £	31.3.20 £
Profit before taxation	1,112,885	2,398,001
Depreciation charges	71,221	79,418
Profit on disposal of fixed assets	-	(1,600)
Prior year reserves movement	-	2,467,371
Finance income	(14,263)	(6,374)
	<u>1,169,843</u>	<u>4,936,816</u>
Decrease in stocks	-	936,029
Increase in trade and other debtors	(2,027,567)	(4,004,901)
Increase in trade and other creditors	<u>3,519,533</u>	<u>265,154</u>
Cash generated from operations	<u><u>2,661,809</u></u>	<u><u>2,133,098</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>6,316,993</u>	<u>5,275,908</u>

Year ended 31 March 2020

	31.3.20 £	1.4.19 £
Cash and cash equivalents	<u>5,275,908</u>	<u>4,784,918</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>5,275,908</u>	<u>1,041,085</u>	<u>6,316,993</u>
	<u>5,275,908</u>	<u>1,041,085</u>	<u>6,316,993</u>
Total	<u><u>5,275,908</u></u>	<u><u>1,041,085</u></u>	<u><u>6,316,993</u></u>

Notes to the Financial Statements
for the Year Ended 31 March 2021

1. **COMPANY INFORMATION**

London Projects Limited is a private limited company limited by shares domiciled and incorporated in England and Wales. The registered office is 11 Carteret Street, London, SW1H 9DJ.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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 pound.

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Going Concern

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

Consolidated financial statements

The company is a wholly owned subsidiary of London Projects Holdings Limited and is included in the consolidated financial statements of London Projects Holdings Limited, which can be obtained from the registered office: 11 Carteret Street, London, SW1H 9DJ.

Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received excluding VAT. Revenue is recognised by reference to the point at which services have been rendered.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2. ACCOUNTING POLICIES - continued

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price and subsequently are carried at amortised cost.

Equity instruments

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

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 tax profit nor the accounting profit.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

2. **ACCOUNTING POLICIES - continued**

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.

Retirement benefits

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

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

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 are included in the profit and loss for the period.

Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In these financial statements the directors accounting estimates relate to revenue recognition, provisions for remedials, provisions for insurance claims, recoverability of debtors and useful economic life of tangible fixed assets.

3. **EMPLOYEES AND DIRECTORS**

	31.3.21	31.3.20
	£	£
Wages and salaries	1,070,516	747,024
Social security costs	81,877	64,393
Other pension costs	94,037	200,385
	<u>1,246,430</u>	<u>1,011,802</u>

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Directors	3	3
Administration and surveyors	69	63
	<u>72</u>	<u>66</u>

4. **DIRECTORS' EMOLUMENTS**

	31.3.21	31.3.20
	£	£
Directors' remuneration	<u>228,000</u>	<u>216,345</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

4. **DIRECTORS' EMOLUMENTS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	31.3.21	31.3.20
	£	£
Emoluments etc	<u>150,000</u>	<u>137,203</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Hire of plant and machinery	196,282	145,701
Plant repairs and renewals	-	36,592
Depreciation - owned assets	71,221	79,418
Profit on disposal of fixed assets	-	(1,600)
Auditors' remuneration	10,500	6,500
Auditors' remuneration for non audit work	<u>4,295</u>	<u>5,300</u>

6. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.21	31.3.20
	£	£
Current tax:		
UK corporation tax	235,592	467,795
Deferred tax	<u>(16,064)</u>	<u>(6,371)</u>
Tax on profit	<u>219,528</u>	<u>461,424</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21 £	31.3.20 £
Profit before tax	<u>1,112,885</u>	<u>2,398,001</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	211,448	455,620
Effects of:		
Expenses not deductible for tax purposes	358	5,804
Income not taxable for tax purposes	-	(304)
Depreciation in excess of capital allowances	-	304
Adjustments to tax charge in respect of previous periods	7,723	-
Group relief	(1)	-
Total tax charge	<u>219,528</u>	<u>461,424</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2021.

	Gross £	31.3.20 Tax £	Net £
Prior year adjustments	<u>2,467,371</u>	<u>-</u>	<u>2,467,371</u>

7. **DIVIDENDS**

	31.3.21 £	31.3.20 £
Ordinary shares of £1 each		
Dividends	<u>1,005,000</u>	<u>1,100,100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2020	327,280	30,534	56,609	169,625	584,048
Additions	-	2,577	-	17,628	20,205
At 31 March 2021	<u>327,280</u>	<u>33,111</u>	<u>56,609</u>	<u>187,253</u>	<u>604,253</u>
DEPRECIATION					
At 1 April 2020	256,672	25,622	34,021	111,589	427,904
Charge for year	40,833	3,934	5,647	20,807	71,221
At 31 March 2021	<u>297,505</u>	<u>29,556</u>	<u>39,668</u>	<u>132,396</u>	<u>499,125</u>
NET BOOK VALUE					
At 31 March 2021	<u>29,775</u>	<u>3,555</u>	<u>16,941</u>	<u>54,857</u>	<u>105,128</u>
At 31 March 2020	<u>70,608</u>	<u>4,912</u>	<u>22,588</u>	<u>58,036</u>	<u>156,144</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21 £	31.3.20 £
Trade debtors	1,768,123	2,655,271
Other debtors	4,718,045	3,841,101
Prepayments and accrued income	<u>3,359,911</u>	<u>1,322,140</u>
	<u>9,846,079</u>	<u>7,818,512</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21 £	31.3.20 £
Trade creditors	4,070,779	3,070,510
Tax	(212,766)	167,795
Social security and other taxes	176,335	196,866
Other creditors	1,578,095	898,090
Accruals and deferred income	<u>3,295,056</u>	<u>1,503,648</u>
	<u>8,907,499</u>	<u>5,836,909</u>

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.21 £	31.3.20 £
Other creditors	<u>703,177</u>	<u>634,795</u>

12. **PROVISIONS FOR LIABILITIES**

	31.3.21 £	31.3.20 £
Deferred tax	<u>19,975</u>	<u>29,668</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

12. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2020	29,668
Accelerated Capital Allowances	(9,693)
Balance at 31 March 2021	<u>19,975</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	31.3.21 £
500	Ordinary	£1	<u>500</u>
			31.3.20 £ <u>500</u>

14. RESERVES

	Retained earnings £
At 1 April 2020	6,748,692
Profit for the year	893,357
Dividends	(1,005,000)
At 31 March 2021	<u>6,637,049</u>

15. PENSION COMMITMENTS

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 charge to profit and loss account in respect of defined contribution schemes was £94,037 (2020: £200,385).

16. ULTIMATE PARENT COMPANY

London Projects Limited is a wholly owned subsidiary of London Projects Holdings Limited, a company incorporated in England. The consolidated accounts of this company are publicly available from 11 Carteret Street, London, SW1H 9DJ.

The beneficial owners of 100% of the share capital of London Projects Holdings Limited are Mr N Stuttard and Cordery Limited.

17. GUARANTEES

On the 7 January 2021, a fixed and floating charge over the company's assets was issued in favour of HSBC UK Bank Plc in relation to a mortgage loan taken out by an associated company in order for the associated company to purchase a freehold investment property.

18. RELATED PARTY DISCLOSURES

The directors and ultimate shareholders are also directors and shareholders in James Wellesley Limited. During the year London Projects Limited had purchases from James Wellesley Limited to the value of £527,445 (2020: £1,569,281) and sales to James wellesley Limited to the value of £nil (2020: £nil). At the year end, after accounting for accrued invoices, £215,000 (2020: £nil) was outstanding as a creditor to James Wellesley Limited and £nil (2020: £132,245) was outstanding as a debtor from James Wellesley Limited.

During the year the directors withdrew £nil (2020: £nil) from the company and repaid £nil (2020: £150,000). At the year end £nil (2020: £nil) was outstanding as due from the directors.

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