Company Registration No. 11147105 (England and Wales)

AA PROJECTS (2018) LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

AA PROJECTS (2018) LIMITED

COMPANY INFORMATION

Directors	K M Wood	
	N A Fyles	
	M C Simpson	
	C Thorpe	
	N Grindrod	
	M De Haan	(Appointed 9 March 2022)
Company number	11147105	
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 (2018) LIMITED

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AA PROJECTS (2018) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business
Turnover increased during the year by more than 18%. Operating profit for the year was £3,740,279, a slight decrease in the operating margin to 18.0%. This partly reflects the increase in costs from the prior year as we move out of the pandemic, although the business has retained some cost efficiencies with adopting a hybrid working policy. Investments in staff, IT infrastructure and development of our newer offices have added to the group's plan for diversification and growth.

Five sectors now contribute over 10% each of the group's turnover, including the Further Education sector from a low base in the previous year. This also demonstrates the continued strong growth in the Health, Housing and the Academy sectors, with Health and Housing projected to continue due to expanding offers in both service and geography. A further four sectors contributed over 5% with the re-emergence of the Hotel and Leisure sector, and the steady growth in the Statutory Education sector which both look set to contribute further in financial year 2022-23 which will further spread our risks. Higher Education continues to deliver consistent revenues in a challenging environment. The Commercial and Retail sectors remain tough but are delivering a significant and 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 group'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
This is the risk that the group 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 group 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.

On behalf of the board

....

K M Wood
Director

Date: 12 July 2022

AA PROJECTS (2018) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities
The principal activity of the company and group continued to be that of a holding company. The principal activity of the group is that of strategic property consultancy, project management, quantity surveying, building surveying, facilities management, energy and sustainability consultancy and health and safety consultancy.

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

K M Wood	
N A Fyles	
M C Simpson	
C Thorpe	
N Grindrod	
M De Haan	(Appointed 9 March 2022)

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,801,613. The directors do not recommend payment of a further dividend.

Financial instruments
The group 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 group does not enter into any hedging transactions.

Acquisition of own shares
On 11 June 2021 the company purchased 100 C ordinary shares with a nominal value of £100 and 150 A ordinary shares with a nominal value of £150 for a total consideration of £94,612. The purchased shares represented 2.4% of the company's ordinary share capital at that date.

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 auditor of the company 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 auditor of the company is aware of that information.

Going concern
At the time of approving the financial statements, the directors have a strong expectation that the group 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 (2018) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Directors' Responsibility Statement
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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

....
K M Wood
Director
Date: 12 July 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AA PROJECTS (2018) LIMITED

Opinion

We have audited the financial statements of AA Projects (2018) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 March 2022 and of the group's 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 group and parent 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 group's and parent 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 parent 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 parent 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.

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, we considered the following:

the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies and performance targets;

any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:

identifying, evaluating and complying with laws and regulations, including but not limited to the Companies Act 2006, the UK tax legislation, 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;

1. the internal controls established to mitigate risks of fraud on non-compliance with laws and regulations; and
2. the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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 group'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AA PROJECTS (2018) 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 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.

Mark Robertson BA BSc CA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

Chartered Accountants
Statutory Auditor

19/7/22

St James Building
79 Oxford Street
Manchester
M1 6HT

AA PROJECTS (2018) LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	20,812,971	17,552,634
Cost of sales		(11,650,109)	(9,254,811)
Gross profit		9,162,862	8,297,823
Administrative expenses		(5,422,583)	(5,324,935)
Other operating income		-	200,014
Operating profit	4	3,740,279	3,172,902
Interest receivable and similar income	8	265	1,566
Interest payable and similar expenses	9	(103,769)	(135,237)
Profit before taxation		3,636,775	3,039,231
Tax on profit	10	(912,646)	(781,252)
Profit for the financial year	27	2,724,129	2,257,979

Profit for the financial year is all attributable to the owners of the parent company.

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit for the year	2,724,129	2,257,979
Other comprehensive income	-	-
Total comprehensive income for the year	2,724,129	2,257,979

Total comprehensive income for the year is all attributable to the owners of the parent company.

AA PROJECTS (2018) LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Goodwill	**12**		1,062,202		2,124,406
Other intangible assets	**12**		37,004		40,520
Total intangible assets			1,099,206		2,164,926
Tangible assets	**13**		152,173		168,082
			1,251,379		2,333,008
Current assets					
Debtors	**16**	5,364,287		4,474,480	
Cash at bank and in hand		3,800,312		3,881,176	
		9,164,599		8,355,656	
Creditors: amounts falling due within one year	**17**	(7,328,434)		(6,243,715)	
Net current assets			1,836,165		2,111,941
Total assets less current liabilities			3,087,544		4,444,949
Creditors: amounts falling due after more than one year	**18**		(900,000)		(2,100,000)
Provisions for liabilities					
Deferred tax liability	**20**	37,080		28,896	
			(37,080)		(28,896)
Net assets			2,150,464		2,316,053
Capital and reserves					
Called up share capital	**23**		10,295		10,220
Share premium account	**24**		6,182		-
Capital redemption reserve	**25**		250		-
Other reserves	**26**		794,986		794,986
Profit and loss reserves	**27**		1,338,751		1,510,847
Total equity			2,150,464		2,316,053

The financial statements were approved by the board of directors and authorised for issue on 12 JULY 2022 and are signed on its behalf by:

K M Wood
Director

AA PROJECTS (2018) LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	**14**		8,089,486		8,089,486
Current assets					
Debtors	**16**	-		28,000	
Cash at bank and in hand		14,750		8,378	
		14,750		36,378	
Creditors: amounts falling due within one year	**17**	(6,360,834)		(5,194,308)	
Net current liabilities			(6,346,084)		(5,157,930)
Total assets less current liabilities			1,743,402		2,931,556
Creditors: amounts falling due after more than one year	**18**		(900,000)		(2,100,000)
Net assets			843,402		831,556
Capital and reserves					
Called up share capital	**23**		10,295		10,220
Share premium account	**24**		6,182		-
Capital redemption reserve	**25**		250		-
Other reserves	**26**		794,986		794,986
Profit and loss reserves	**27**		31,689		26,350
Total equity			843,402		831,556

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,901,564 (2021 - £1,927,976 profit).

The financial statements were approved by the board of directors and authorised for issue on 12 July 2022 and are signed on its behalf by:

K M Wood
Director

Company Registration No. 11147105

AA PROJECTS (2018) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£	£
Balance at 1 April 2020		10,220	-	-	794,986	1,162,914	1,968,120
Year ended 31 March 2021:							
Profit and total comprehensive income for the year		-	-	-	-	2,257,979	2,257,979
Dividends	11	-	-	-	-	(1,910,046)	(1,910,046)
Balance at 31 March 2021		10,220	-	-	794,986	1,510,847	2,316,053
Year ended 31 March 2022:							
Profit and total comprehensive income for the year		-	-	-	-	2,724,129	2,724,129
Issue of share capital	23	325	6,182	-	-	-	6,507
Dividends	11	-	-	-	-	(2,801,613)	(2,801,613)
Redemption of shares	23	(250)	-	250	-	(94,612)	(94,612)
Balance at 31 March 2022		10,295	6,182	250	794,986	1,338,751	2,150,464

AA PROJECTS (2018) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2020		10,220	-	-	794,986	8,420	813,626
Year ended 31 March 2021:							
Profit and total comprehensive income for the year		-	-	-	-	1,927,976	1,927,976
Dividends	**11**	-	-	-	-	(1,910,046)	(1,910,046)
Balance at 31 March 2021		10,220	-	-	794,986	26,350	831,556
Year ended 31 March 2022:							
Profit and total comprehensive income for the year		-	-	-	-	2,901,564	2,901,564
Issue of share capital	**23**	325	6,182	-	-	-	6,507
Dividends	**11**	-	-	-	-	(2,801,613)	(2,801,613)
Redemption of shares	**23**	(250)	-	250	-	(94,612)	(94,612)
Balance at 31 March 2022		10,295	6,182	250	794,986	31,689	843,402

AA PROJECTS (2018) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**31**		4,603,597		5,067,447
Interest paid			(103,769)		(135,237)
Income taxes paid			(785,798)		(575,717)
Net cash inflow from operating activities			3,714,030		4,356,493
Investing activities					
Purchase of intangible assets		(13,379)		(11,661)	
Purchase of tangible fixed assets		(68,950)		(97,621)	
Interest received		265		1,566	
Net cash used in investing activities			(82,064)		(107,716)
Financing activities					
Proceeds from issue of shares		6,507		-	
Redemption of shares		(94,612)		-	
Proceeds from borrowings		2,176,888		-	
Repayment of bank loans		(3,000,000)		(900,000)	
Dividends paid to equity shareholders		(2,801,613)		(1,910,046)	
Net cash used in financing activities			(3,712,830)		(2,810,046)
Net (decrease)/increase in cash and cash equivalents			(80,864)		1,438,731
Cash and cash equivalents at beginning of year			3,881,176		2,442,445
Cash and cash equivalents at end of year			3,800,312		3,881,176

1 Accounting policies

Company information

AA Projects (2018) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Jackson House, Sibson Road, Sale, Manchester, M33 7RR.

The group consists of AA Projects (2018) Limited and all of its subsidiaries.

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.

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The consolidated financial statements incorporate those of AA Projects (2018) Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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 Accounting policies **(Continued)**

1.3 Turnover

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.

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 group balance sheet and is amortised over its estimated economic life of 5 years.

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 Accounting policies **(Continued)**

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 and fittings	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 recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.9 Cash at bank and in hand

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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 group 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.

1 Accounting policies (Continued)

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 group 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.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

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

1.16 Government grants

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

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

1.17 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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

The cost to complete projects are calculated on the basis of actual time plus estimated time remaining. Judgements are made on the estimated time remaining to complete the project.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Rendering of services	20,812,971	17,552,634
Grants received	-	200,016

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	19,828,138	16,809,993
Europe	891,033	489,207
ROW	93,800	253,434
	20,812,971	17,552,634

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	8,163	1,440
Government grants	-	(200,016)
Depreciation of owned tangible fixed assets	84,859	90,459
Amortisation of intangible assets	1,079,099	1,075,450
Operating lease charges	376,845	393,079

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2022 £	2021 £
For audit services		
Audit of the financial statements of the group and company	4,750	4,750
Audit of the financial statements of the company's subsidiaries	16,000	15,750
	20,750	20,500
For other services		
Taxation compliance services	3,000	3,000

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Service staff	135	119	-	-
Administration staff	34	34	6	5
Total	169	153	6	5

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	7,647,815	6,903,271	131,820	244,281
Social security costs	769,317	646,315	-	-
Pension costs	962,971	1,007,734	-	-
	9,380,103	8,557,320	131,820	244,281

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	159,346	244,281
Company pension contributions to defined contribution schemes	145,000	196,761
	304,346	441,042

7 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2021 - 5).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	n/a	60,133

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	265	1,467
Other interest income	-	99
Total income	265	1,566

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	103,769	135,237

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	897,972	779,247
Adjustments in respect of prior periods	6,490	(551)
Total current tax	904,462	778,696
Deferred tax		
Origination and reversal of timing differences	8,184	2,556
Total tax charge	912,646	781,252

10 Taxation **(Continued)**

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:

	2022	2021
	£	£
Profit before taxation	3,636,775	3,039,231
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	690,987	577,454
Tax effect of expenses that are not deductible in determining taxable profit	8,188	5,359
Adjustments in respect of prior years	(19)	(551)
Amortisation on assets not qualifying for tax allowances	201,819	201,819
Other	7,343	(2,829)
Remeasurement of deferred tax for changes in tax rates	9,021	-
Fixed asset differences	(4,693)	-
Taxation charge	912,646	781,252

11 Dividends

	2022	2021
Recognised as distributions to equity holders:	£	£
Interim paid	2,801,613	1,910,046

12 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 April 2021	6,065,009	263,927	6,328,936
Additions - separately acquired	-	13,379	13,379
At 31 March 2022	6,065,009	277,306	6,342,315
Amortisation and impairment			
At 1 April 2021	3,940,603	223,407	4,164,010
Amortisation charged for the year	1,062,204	16,895	1,079,099
At 31 March 2022	5,002,807	240,302	5,243,109
Carrying amount			
At 31 March 2022	1,062,202	37,004	1,099,206
At 31 March 2021	2,124,406	40,520	2,164,926

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

13 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2021	317,230	541,392	858,622
Additions	-	68,950	68,950
At 31 March 2022	317,230	610,342	927,572
Depreciation and impairment			
At 1 April 2021	315,492	375,048	690,540
Depreciation charged in the year	773	84,086	84,859
At 31 March 2022	316,265	459,134	775,399
Carrying amount			
At 31 March 2022	965	151,208	152,173
At 31 March 2021	1,738	166,344	168,082

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

14 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	8,089,486	8,089,486

Movements in fixed asset investments

Company	Shares in subsidiaries
	£
Cost or valuation	
At 1 April 2021 and 31 March 2022	8,089,486
Carrying amount	
At 31 March 2022	8,089,486
At 31 March 2021	8,089,486

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
AA Projects Group Limited	[1]	Holding company	Ordinary	100.00	-
AA Projects Limited	[1]	Strategic consultancy, project management	Ordinary	-	100.00

[1] The registered office is Jackson House, Sibson Road, Sale, Manchester, M33 7RR. The country of incorporation is England.

16 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	3,817,578	3,187,544	-	-
Gross amounts owed by contract customers	937,643	660,883	-	-
Prepayments and accrued income	609,066	626,053	-	28,000
	5,364,287	4,474,480	-	28,000

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	19	-	900,000	-	900,000
Other borrowings	19	1,276,888	-	1,276,888	-
Payments received on account		1,916,682	1,491,763	-	-
Trade creditors		1,190,015	901,142	-	-
Amounts owed to group undertakings		-	-	5,082,694	4,290,103
Corporation tax payable		897,812	779,148	1,252	4,205
Other taxation and social security		1,071,664	1,007,639	-	-
Other creditors		59,790	61,508	-	-
Accruals and deferred income		915,583	1,102,515	-	-
		7,328,434	6,243,715	6,360,834	5,194,308

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	19	-	2,100,000	-	2,100,000
Other borrowings	19	900,000	-	900,000	-
		900,000	2,100,000	900,000	2,100,000

19 Loans and overdrafts

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	-	3,000,000	-	3,000,000
Loans from related parties	2,176,888	-	2,176,888	-
	2,176,888	3,000,000	2,176,888	3,000,000
Payable within one year	1,276,888	900,000	1,276,888	900,000
Payable after one year	900,000	2,100,000	900,000	2,100,000

The loan from related parties is secured by fixed and floating charges over assets of the group.

The loan from related parties is repayable by monthly instalments of £100,000 commencing April 2022 and interest is charged at LIBOR + 3.5%.

The bank loan was settled in the year and was secured by fixed and floating charges over assets of the group. The directors and shareholders had given personal guarantees in favour of the bank.

20 Deferred taxation

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

	Liabilities	Liabilities
	2022	2021
Group	£	£
Accelerated capital allowances	40,351	33,199
Other short term timing differences	(3,271)	(4,303)
	37,080	28,896

The company has no deferred tax assets or liabilities.

20 Deferred taxation (Continued)

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 April 2021	28,896	-
Charge to profit or loss	8,184	-
Liability at 31 March 2022	37,080	-

21 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	962,971	1,007,734

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The group contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the group with respect to the scheme is to make the specified contributions.

22 Share-based payment transactions

The company operates a share option scheme. At the beginning of the year options granted over 375 A ordinary shares in the company were outstanding. The minimum and maximum terms from this date were 2 years 6 months and 7 years 6 months. The exercise of these options was conditional upon the sale or listing of the company, or the expiry of a period of 5 years from the date of grant.

During the year options relating to 50 A ordinary shares lapsed and options relating to 325 A ordinary shares were exercised. There were no options outstanding at the balance sheet date.

The fair value of the options is not material and therefore no share-based payment expense has been recognised.

23 Share capital

Group and company Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
A ordinary shares of £1 each	5,250	8,900	5,250	8,900
B ordinary shares of £1 each	3,630	-	3,630	-
C ordinary shares of £1 each	195	1,320	195	1,320
D ordinary shares of £1 each	1,220	-	1,220	-
	10,295	10,220	10,295	10,220

23 Share capital **(Continued)**

On 11 June 2021 100 C ordinary shares and 150 A ordinary shares were bought back by the company for £94,612. These shares were subsequently cancelled.

On 9 March 2022 an additional 325 A ordinary shares of £1 each were issued at a premium of £19.02 per share and the following shares were then re-designated, 3630 A ordinary shares became 3,630 B ordinary shares, 195 A ordinary shares became 195 C ordinary shares and 1,220 C ordinary shares became 1,220 D ordinary shares.

The A, B and C ordinary shares, rank pari passu, carry voting rights and are entitled to dividend payments or other distributions. The D ordinary shares carry no voting rights and are not entitled to dividend payments.

24 Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

25 Capital redemption reserve

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

26 Other reserves

The other reserve has arisen as a result of the holding company's acquisition of the entire issued share capital of AA Projects Group Limited. The company has taken advantage of the merger relief provisions included in section 612 of the Companies Act 2006 and has not recognised a share premium account.

27 Profit and loss reserves

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

28 Operating lease commitments

Lessee

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	265,349	280,023	-	-
Between two and five years	8,304	126,559	-	-
	273,653	406,582	-	-

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	99,443	12,508	-	-

30 Related party transactions

Remuneration of key management personnel
Group
The total remuneration for key management personnel who are the directors of the company is disclosed in note 7.

31 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,724,129	2,257,979
Adjustments for:		
Taxation charged	912,646	781,252
Finance costs	103,769	135,237
Investment income	(265)	(1,566)
Amortisation and impairment of intangible assets	1,079,099	1,075,450
Depreciation and impairment of tangible fixed assets	84,859	90,459
Movements in working capital:		
Increase in debtors	(889,807)	(727,017)
Increase in creditors	589,167	1,455,653
Cash generated from operations	4,603,597	5,067,447

32 Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	3,881,176	(80,864)	3,800,312
Borrowings excluding overdrafts	(3,000,000)	823,112	(2,176,888)
	881,176	742,248	1,623,424