

Company registration number 11147105 (England and Wales)

**AA PROJECTS (2018) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# AA PROJECTS (2018) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K M Wood N A Fyles M C Simpson C Thorpe N Grindrod S Hempel (Appointed 1 January 2023)
<b>Company number</b>	11147105
<b>Registered office</b>	Jackson House Sibson Road Sale Manchester M33 7RR
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Jackson House Sibson Road Sale Manchester M33 7RR
<b>Bankers</b>	HSBC 11 Stamford New Road Altrincham Cheshire WA14 1BW

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# **AA PROJECTS (2018) LIMITED**

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# AA PROJECTS (2018) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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

### **Fair review of the business**

Turnover increased during the year by 17.88%. Operating profit for the year was £5,304,641 a further increase in the operating margin to 21.6%. This reflects the significant overachievement against company targets along with some cost efficiencies retained with the hybrid working policy adopted since the Covid-19 pandemic. Investments in staff, new offices and IT infrastructure have added to the company's plan for diversification and growth.

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

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

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

Overall the investment in staff at all levels is providing growth in our target sectors and for our core services. In all cases the group'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**

Business performance risk 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.

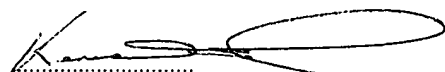
#### **Business continuity risk**

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 group 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: 3 July 2023

# **AA PROJECTS (2018) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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

#### **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, mechanical and electrical engineering and public health, facilities management, energy and sustainability consultancy and health and safety consultancy.

#### **Results and dividends**

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

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

#### **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

S Hempel

(Resigned 1 January 2023)

(Appointed 1 January 2023)

#### **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.

#### **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

# **AA PROJECTS (2018) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Statement of directors' responsibilities**

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.

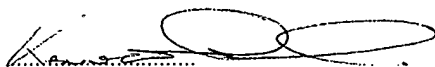
### **Statement of disclosure to auditor**

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.

On behalf of the board



K M Wood  
Director

Date: 3 July 2023

# AA PROJECTS (2018) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AA PROJECTS (2018) LIMITED

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#### 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 2023 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 2023 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.

# **AA PROJECTS (2018) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AA PROJECTS (2018) LIMITED**

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### **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.

### **Identifying and assessing potential risks related to irregularities**

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 company's remuneration policies and performance targets;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations, 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;
  - the internal controls established to mitigate risks of fraud on non-compliance with laws and regulations; and
  - 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.



## AA PROJECTS (2018) LIMITED

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

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

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

Audit procedures performed included:

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

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

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

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*UHY Hacker Young Manchester LLP*

Zoë Duffy BFP FCA (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young Manchester LLP

Date: *25/8/23*

Chartered Accountants  
Statutory Auditor

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

## AA PROJECTS (2018) LIMITED

### GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	24,534,590	20,812,971
Cost of sales		(12,833,786)	(11,650,109)
<b>Gross profit</b>		<b>11,700,804</b>	<b>9,162,862</b>
Administrative expenses		(6,396,163)	(5,422,583)
<b>Operating profit</b>	4	<b>5,304,641</b>	<b>3,740,279</b>
Interest receivable and similar income	8	2,743	265
Interest payable and similar expenses	9	(56,637)	(103,769)
<b>Profit before taxation</b>		<b>5,250,747</b>	<b>3,636,775</b>
Tax on profit	10	(921,829)	(912,646)
<b>Profit for the financial year</b>	26	<b>4,328,918</b>	<b>2,724,129</b>

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

## **AA PROJECTS (2018) LIMITED**

### **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2023***

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	4,328,918	2,724,129
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>4,328,918</u>	<u>2,724,129</u>

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

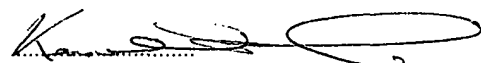
# AA PROJECTS (2018) LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	12	-		1,062,202	
Other intangible assets	12	46,335		37,004	
Total intangible assets		46,335		1,099,206	
Tangible assets	13	243,558		152,173	
		289,893		1,251,379	
<b>Current assets</b>					
Debtors	16	6,426,109		5,364,287	
Cash at bank and in hand		5,200,462		3,800,312	
		11,626,571		9,164,599	
<b>Creditors: amounts falling due within one year</b>	17	(6,159,593)		(7,328,434)	
<b>Net current assets</b>		5,466,978		1,836,165	
<b>Total assets less current liabilities</b>		5,756,871		3,087,544	
<b>Creditors: amounts falling due after more than one year</b>	18	-		(900,000)	
<b>Provisions for liabilities</b>					
Deferred tax liability	20	56,267		37,080	
			(56,267)		(37,080)
<b>Net assets</b>		5,700,604		2,150,464	
<b>Capital and reserves</b>					
Called up share capital	22	10,295		10,295	
Share premium account	23	6,182		6,182	
Capital redemption reserve	24	250		250	
Other reserves		794,986		794,986	
Profit and loss reserves	26	4,888,891		1,338,751	
<b>Total equity</b>		5,700,604		2,150,464	

The financial statements were approved by the board of directors and authorised for issue on 3 July 2023 and are signed on its behalf by:



K M Wood  
Director

Company registration number 11147105 (England and Wales)

# AA PROJECTS (2018) LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investments	14	8,089,486		8,089,486	
<b>Current assets</b>					
Cash at bank and in hand		6,170		14,750	
<b>Creditors: amounts falling due within one year</b>	17	(7,245,969)		(6,360,834)	
<b>Net current liabilities</b>		(7,239,799)		(6,346,084)	
<b>Total assets less current liabilities</b>		849,687		1,743,402	
<b>Creditors: amounts falling due after more than one year</b>	18	-		(900,000)	
<b>Net assets</b>		849,687		843,402	
<b>Capital and reserves</b>					
Called up share capital	22	10,295		10,295	
Share premium account	23	6,182		6,182	
Capital redemption reserve	24	250		250	
Other reserves		794,986		794,986	
Profit and loss reserves	26	37,974		31,689	
<b>Total equity</b>		849,687		843,402	

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 £785,063 (2022 - £2,901,564 profit).

The financial statements were approved by the board of directors and authorised for issue on 3 July 2023 and are signed on its behalf by:



K M Wood  
Director

Company registration number 11147105 (England and Wales)

# AA PROJECTS (2018) LIMITED

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	£	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		10,220	-	-	794,986	1,510,847	2,316,053
<b>Year ended 31 March 2022:</b>							
Profit and total comprehensive income for the year		-	-	-	-	2,724,129	2,724,129
Issue of share capital	22	325	6,182	-	-	-	6,507
Dividends	11	-	-	-	-	(2,801,613)	(2,801,613)
Redemption of shares	22	(250)	-	250	-	(94,612)	(94,612)
<b>Balance at 31 March 2022</b>		10,295	6,182	250	794,986	1,338,751	2,150,464
<b>Year ended 31 March 2023:</b>							
Profit and total comprehensive income for the year		-	-	-	-	4,328,918	4,328,918
Dividends	11	-	-	-	-	(778,778)	(778,778)
<b>Balance at 31 March 2023</b>		10,295	6,182	250	794,986	4,888,891	5,700,604

# AA PROJECTS (2018) LIMITED

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	£	Profit and loss reserves £	Total £
Balance at 1 April 2021		10,220	-	-	794,986	26,350	831,556
<b>Year ended 31 March 2022:</b>							
Profit and total comprehensive income for the year		-	-	-	-	2,901,564	2,901,564
Issue of share capital	22	325	6,182	-	-	-	6,507
Dividends	11	-	-	-	-	(2,801,613)	(2,801,613)
Redemption of shares	22	(250)	-	250	-	(94,612)	(94,612)
<b>Balance at 31 March 2022</b>		<u>10,295</u>	<u>6,182</u>	<u>250</u>	<u>794,986</u>	<u>31,689</u>	<u>843,402</u>
<b>Year ended 31 March 2023:</b>							
Profit and total comprehensive income for the year		-	-	-	-	785,063	785,063
Dividends	11	-	-	-	-	(778,778)	(778,778)
<b>Balance at 31 March 2023</b>		<u>10,295</u>	<u>6,182</u>	<u>250</u>	<u>794,986</u>	<u>37,974</u>	<u>849,687</u>

# AA PROJECTS (2018) LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31	5,539,677		4,603,597	
Interest paid		(56,637)		(103,769)	
Income taxes paid		(897,981)		(785,798)	
<b>Net cash inflow from operating activities</b>		<u>4,585,059</u>		<u>3,714,030</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(31,210)		(13,379)	
Purchase of tangible fixed assets		(200,776)		(68,950)	
Interest received		<u>2,743</u>		<u>265</u>	
<b>Net cash used in investing activities</b>		<u>(229,243)</u>		<u>(82,064)</u>	
<b>Financing activities</b>					
Proceeds from issue of shares		-		6,507	
Redemption of shares		-		(94,612)	
Proceeds from borrowings		-		2,176,888	
Repayment of borrowings		(2,176,888)		-	
Repayment of bank loans		-		(3,000,000)	
Dividends paid to equity shareholders		<u>(778,778)</u>		<u>(2,801,613)</u>	
<b>Net cash used in financing activities</b>		<u>(2,955,666)</u>		<u>(3,712,830)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,400,150</u>		<u>(80,864)</u>	
Cash and cash equivalents at beginning of year		<u>3,800,312</u>		<u>3,881,176</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>5,200,462</u></u>		<u><u>3,800,312</u></u>	



# **AA PROJECTS (2018) LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **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.

#### **1.2 Basis of consolidation**

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 2023. 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.

#### **1.3 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.

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.4 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.

#### 1.5 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.

#### 1.6 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
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#### 1.7 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.

#### 1.8 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.

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 Cash and cash equivalents

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

#### 1.11 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.

##### **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.

##### **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.

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **1.12 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.

#### **1.13 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.

##### **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.

#### **1.14 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.

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.15 Retirement benefits

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

#### 1.16 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.

#### 1.17 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

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

### 3 Turnover and other revenue

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

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Turnover and other revenue (Continued)

	2023 £	2022 £
Other revenue		
Interest income	2,743	265

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(9,141)	8,163
Depreciation of owned tangible fixed assets	106,525	84,859
Amortisation of intangible assets	1,084,081	1,079,099
Operating lease charges	365,512	376,845

### 5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,775	4,750
Audit of the financial statements of the company's subsidiaries	21,070	16,000
	26,845	20,750
For other services		
Taxation compliance services	4,050	3,000

### 6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Service staff	146	135	-	-
Administration staff	41	34	6	6
Total	187	169	6	6

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	8,788,628	7,647,815	55,202	131,820
Social security costs	972,977	769,317	20,152	-
Pension costs	1,201,203	962,971	79,833	-
	<u>10,962,808</u>	<u>9,380,103</u>	<u>155,187</u>	<u>131,820</u>

### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	177,621	159,346
Company pension contributions to defined contribution schemes	166,353	145,000
	<u>343,974</u>	<u>304,346</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2022 - 5).

### 8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	<u>2,743</u>	<u>265</u>

### 9 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	<u>56,637</u>	<u>103,769</u>

### 10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	1,181,060	897,972
Adjustments in respect of prior periods	<u>(278,418)</u>	<u>6,490</u>
Total current tax	<u>902,642</u>	<u>904,462</u>

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Taxation

(Continued)

	2023 £	2022 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	19,187	8,184
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<u>921,829</u>	<u>912,646</u>

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

	2023 £	2022 £
Profit before taxation	5,250,747	3,636,775
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	997,642	690,987
Tax effect of expenses that are not deductible in determining taxable profit	9,403	8,188
Tax effect of income not taxable in determining taxable profit	-	(550,283)
Adjustments in respect of prior years	(278,416)	(19)
Amortisation on assets not qualifying for tax allowances	201,818	201,819
Other permanent differences	-	550,283
Other	-	7,343
Remeasurement of deferred tax for changes in tax rates	4,605	9,021
Fixed asset differences	(13,223)	(4,693)
	<u>          </u>	<u>          </u>
<b>Taxation charge</b>	<u>921,829</u>	<u>912,646</u>

### 11 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Interim paid	778,778	2,801,613
	<u>          </u>	<u>          </u>



## AA PROJECTS (2018) LIMITED

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

#### 12 Intangible fixed assets

Group	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 April 2022	6,065,009	277,306	6,342,315
Additions	-	31,210	31,210
At 31 March 2023	6,065,009	308,516	6,373,525
<b>Amortisation and impairment</b>			
At 1 April 2022	5,002,807	240,302	5,243,109
Amortisation charged for the year	1,062,202	21,879	1,084,081
At 31 March 2023	6,065,009	262,181	6,327,190
<b>Carrying amount</b>			
At 31 March 2023	-	46,335	46,335
At 31 March 2022	1,062,202	37,004	1,099,206

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

#### 13 Tangible fixed assets

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

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

## AA PROJECTS (2018) LIMITED

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

#### 14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	8,089,486	8,089,486
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>					
At 1 April 2022 and 31 March 2023					8,089,486
<b>Carrying amount</b>					
At 31 March 2023					8,089,486
At 31 March 2022					8,089,486

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 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 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	4,568,172	3,817,578	-	-
Gross amounts owed by contract customers	1,165,713	937,643	-	-
Prepayments and accrued income	692,224	609,066	-	-
	<u>6,426,109</u>	<u>5,364,287</u>	<u>-</u>	<u>-</u>

# AA PROJECTS (2018) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 17 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	19	-	1,276,888	-	1,276,888
Payments received on account		2,012,614	1,916,682	-	-
Trade creditors		1,504,853	1,190,015	-	-
Amounts owed to group undertakings		1	-	7,245,756	5,082,694
Corporation tax payable		902,473	897,812	213	1,252
Other taxation and social security		1,069,992	1,071,664	-	-
Other creditors		34,720	59,790	-	-
Accruals and deferred income		634,940	915,583	-	-
		<u>6,159,593</u>	<u>7,328,434</u>	<u>7,245,969</u>	<u>6,360,834</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	19	-	900,000	-	900,000
		<u>-</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>

### 19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Loans from related parties	-	2,176,888	-	2,176,888
	<u>-</u>	<u>2,176,888</u>	<u>-</u>	<u>2,176,888</u>
Payable within one year	-	1,276,888	-	1,276,888
Payable after one year	-	900,000	-	900,000
	<u>-</u>	<u>2,176,888</u>	<u>-</u>	<u>2,176,888</u>

The loan from related parties was secured by fixed and floating charges over assets of the group with interest being charged at LIBOR + 3.5%. The loan has been repaid in full during the year.

## AA PROJECTS (2018) LIMITED

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

#### 20 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
<b>Group</b>		
Accelerated capital allowances	66,780	40,351
Other short term timing differences	(10,513)	(3,271)
	<u>56,267</u>	<u>37,080</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
<b>Movements in the year:</b>		
Liability at 1 April 2022	37,080	-
Charge to profit or loss	19,187	-
Liability at 31 March 2023	<u>56,267</u>	<u>-</u>

#### 21 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>1,201,203</u>	<u>962,971</u>

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 capital

Group and company	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A ordinary shares of £1 each	5,250	5,250	5,250	5,250
B ordinary shares of £1 each	3,630	3,630	3,630	3,630
C ordinary shares of £1 each	195	195	195	195
D ordinary shares of £1 each	1,220	1,220	1,220	1,220
	<u>10,295</u>	<u>10,295</u>	<u>10,295</u>	<u>10,295</u>

## AA PROJECTS (2018) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 Share capital

(Continued)

On 13 December 2022 15 C ordinary shares were purchased by Drees & Sommer SE, a company registered in Germany.

On 31 March 2023 all remaining shares, comprising of 5,250 A ordinary shares and 180 C ordinary shares, were purchased by Drees & Sommer SE.

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. All shares are held by the ultimate controlling party, Drees & Sommer SE.

#### 23 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.

#### 24 Capital redemption reserve

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

#### 25 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.

#### 26 Profit and loss reserves

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

#### 27 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 2023 £	2022 £	Company 2023 £	2022 £
Within one year	214,743	265,349	-	-
Between two and five years	338,050	8,304	-	-
	<u>552,793</u>	<u>273,653</u>	<u>-</u>	<u>-</u>

## AA PROJECTS (2018) LIMITED

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

#### 28 Capital commitments

Amounts contracted for but not provided in the financial statements:

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

#### 29 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.

##### Transactions with related parties

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

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
<b>Group</b>				
Drees & Sommer UK Ltd	98,000	-	9,600	-
Drees & Sommer TDD Manchester & Leeds	15,000	-	-	-
Drees & Sommer Netherland B.V	23,642	-	-	-
Key management personnel	-	-	6,619	-
Other related parties	-	-	71,798	-

#### 30 Controlling party

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

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

## AA PROJECTS (2018) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 31 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	4,328,918	2,724,129
<b>Adjustments for:</b>		
Taxation charged	921,829	912,646
Finance costs	56,637	103,769
Investment income	(2,743)	(265)
Amortisation and impairment of intangible assets	1,084,081	1,079,099
Depreciation and impairment of tangible fixed assets	106,525	84,859
<b>Movements in working capital:</b>		
Increase in debtors	(1,058,956)	(889,807)
Increase in creditors	103,386	589,167
<b>Cash generated from operations</b>	<u>5,539,677</u>	<u>4,603,597</u>

#### 32 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	3,800,312	1,400,150	5,200,462
Borrowings excluding overdrafts	(2,176,888)	2,176,888	-
	<u>1,623,424</u>	<u>3,577,038</u>	<u>5,200,462</u>