

Company Registration No. 03768390 (England and Wales)

**AA PROJECTS LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



# AA PROJECTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	E P Allen N Grindrod C Thorpe N A Fyles K M Wood M C Simpson	(Appointed 6 April 2018)
<b>Secretary</b>	N Grindrod	
<b>Company number</b>	03768390	
<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 LIMITED**

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# **AA PROJECTS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present the strategic report for the year ended 31 March 2019.

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

Turnover increased during the year by more than 18% (2018 - 21%). Operating profit for the year was £2,740,794 (2018 - £1,333,346) a further increase in the operating margin to 22.1% (2018 - 12.8%). This again reflects the significant overachievement against company targets and the previous year's investments in staff, IT infrastructure and development of our newer offices as part of the company's plan for diversification and growth.

Four sectors now contribute over 15% each of the company's turnover, compared with one for the previous year. This demonstrates the strong growth in the Health and the Housing sectors which is projected to continue due to expanding offers in both service and geography. A further 3 sectors contributed over 5% with growth in the Hotel and Leisure sectors looking set for financial year 2019-20 which will cover the Higher Education sector which is projected to contract over the next 12 months. The Statutory Education market is successful and continues to make a significant 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 years figures and are based directly on the amounts shown in the financial statements.

#### **Risk management**

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

##### **Business performance risk**

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

##### **Business continuity risk**

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

##### **Health and safety risk**

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

On behalf of the board



K M Wood

**Director**

7 June 2019

# **AA PROJECTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their annual report and financial statements for the year ended 31 March 2019.

### **Principal activities**

The principal activity of the company continued to be that of strategic property consultancy, project management, quantity surveying, building surveying, facilities management, environmental 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:

E P Allen	
N Grindrod	
K R McEvoy	(Resigned 6 April 2018)
N M Wright	(Resigned 6 April 2018)
C Thorpe	
N A Fyles	
K M Wood	
M C Simpson	(Appointed 6 April 2018)

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £551,892. The directors do not recommend payment of a final dividend.

### **Financial instruments**

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

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

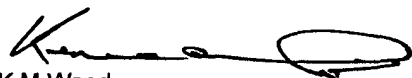
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

### **Going concern**

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

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

On behalf of the board



K M Wood

Director

7 June 2019

# **AA PROJECTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AA PROJECTS LIMITED

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

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### Opinion

We have audited the financial statements of AA Projects Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# AA PROJECTS LIMITED

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

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



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

7 June 2019

**Chartered Accountants**  
**Statutory Auditor**

St James Building  
79 Oxford Street  
Manchester  
M1 6HT



# AA PROJECTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	12,389,649	10,417,573
Cost of sales		(6,248,147)	(5,282,293)
<b>Gross profit</b>		<b>6,141,502</b>	<b>5,135,280</b>
Administrative expenses		(3,400,708)	(3,801,934)
<b>Operating profit</b>	4	<b>2,740,794</b>	<b>1,333,346</b>
Interest receivable and similar income	7	1,665	2,064
<b>Profit before taxation</b>		<b>2,742,459</b>	<b>1,335,410</b>
Tax on profit	8	(524,121)	(260,102)
<b>Profit for the financial year</b>		<b>2,218,338</b>	<b>1,075,308</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# AA PROJECTS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	10		17,188		30,973
Tangible assets	11		162,014		140,147
Investments	12		124,721		124,721
			<u>303,923</u>		<u>295,841</u>
<b>Current assets</b>					
Debtors	14	5,450,412		3,299,749	
Cash at bank and in hand		2,271,234		2,284,260	
		<u>7,721,646</u>		<u>5,584,009</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,353,687)		(2,837,514)	
<b>Net current assets</b>			<u>4,367,959</u>		<u>2,746,495</u>
<b>Total assets less current liabilities</b>			<u>4,671,882</u>		<u>3,042,336</u>
<b>Provisions for liabilities</b>	16		-		(36,900)
<b>Net assets</b>			<u><u>4,671,882</u></u>		<u><u>3,005,436</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		7,182		7,182
Capital redemption reserve	20		2,818		2,818
Profit and loss reserves	21		4,661,882		2,995,436
<b>Total equity</b>			<u><u>4,671,882</u></u>		<u><u>3,005,436</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 June 2019 and are signed on its behalf by:



K M Wood  
Director

Company Registration No. 03768390

# AA PROJECTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		7,182	2,818	2,022,081	2,032,081
<b>Year ended 31 March 2018:</b>					
Profit and total comprehensive income for the year		-	-	1,075,308	1,075,308
Dividends	9	-	-	(101,953)	(101,953)
<b>Balance at 31 March 2018</b>		7,182	2,818	2,995,436	3,005,436
<b>Year ended 31 March 2019:</b>					
Profit and total comprehensive income for the year		-	-	2,218,338	2,218,338
Dividends	9	-	-	(551,892)	(551,892)
<b>Balance at 31 March 2019</b>		7,182	2,818	4,661,882	4,671,882

# AA PROJECTS LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	876,863		930,746	
Income taxes paid		(246,255)		(211,286)	
<b>Net cash inflow from operating activities</b>		<u>630,608</u>		<u>719,460</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(8,846)		(2,980)	
Purchase of tangible fixed assets		(84,561)		(113,383)	
Interest received		1,665		2,064	
<b>Net cash used in investing activities</b>		<u>(91,742)</u>		<u>(114,299)</u>	
<b>Financing activities</b>					
Dividends paid		(551,892)		(101,953)	
<b>Net cash used in financing activities</b>		<u>(551,892)</u>		<u>(101,953)</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(13,026)</u>		<u>503,208</u>	
Cash and cash equivalents at beginning of year		2,284,260		1,781,052	
<b>Cash and cash equivalents at end of year</b>		<u><u>2,271,234</u></u>		<u><u>2,284,260</u></u>	

# **AA PROJECTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

#### **Company information**

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

#### **1.1 Accounting convention**

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

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

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

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

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

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

#### **1.2 Going concern**

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

#### **1.3 Turnover**

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 are recoverable.

#### **1.4 Intangible fixed assets - goodwill**

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

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

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

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

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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#### 1.6 Tangible fixed assets

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

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

Leasehold improvements	4 - 10 years straight line
Fixtures, fittings & equipment	25% straight line

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

#### 1.7 Fixed asset investments

Interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. 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 date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

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.

#### 1.9 Cash at bank and in hand

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

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

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

##### **Basic financial assets**

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

##### **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.

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

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

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

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

#### ***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 through 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 company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Equity instruments**

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

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



# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.13 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **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.

#### **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 income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Key sources of estimation uncertainty

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

#### Valuation of projects in progress

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

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Rendering of services	12,389,649	10,417,573

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	12,118,193	10,354,757
Europe	271,456	62,816
	12,389,649	10,417,573

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	27,450	23,625
Depreciation of owned tangible fixed assets	62,694	69,896
(Profit)/loss on disposal of tangible fixed assets	-	3,472
Amortisation of intangible assets	22,631	46,326
Operating lease charges	310,094	315,119

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 5 Employees

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

	2019 Number	2018 Number
Service staff	86	74
Administration staff	28	22
	<u>114</u>	<u>96</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,652,735	5,013,076
Social security costs	482,636	501,226
Pension costs	320,040	381,370
	<u>5,455,411</u>	<u>5,895,672</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	104,825	963,785
Company pension contributions to defined contribution schemes	1,247	103,732
	<u>106,072</u>	<u>1,067,517</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes at 31 March 2019 amounted to nil (2018 - 6).

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

	2019 £	2018 £
Remuneration for qualifying services	n/a	152,924
Company pension contributions to defined contribution schemes	n/a	16,250
	<u></u>	<u></u>

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

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	1,619	2,064
Other interest income	46	-
<b>Total income</b>	<u>1,665</u>	<u>2,064</u>

### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	546,414	260,516
Adjustments in respect of prior periods	(14,293)	-
<b>Total current tax</b>	<u>532,121</u>	<u>260,516</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,000)	(414)
<b>Total tax charge</b>	<u>524,121</u>	<u>260,102</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:

	2019 £	2018 £
<b>Profit before taxation</b>	<u>2,742,459</u>	<u>1,335,410</u>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19%)</b>	521,067	253,728
Tax effect of expenses that are not deductible in determining taxable profit	6,368	6,374
Adjustments in respect of prior years	(14,293)	-
Other tax adjustments	10,979	-
<b>Taxation charge for the year</b>	<u>524,121</u>	<u>260,102</u>

### 9 Dividends

	2019 £	2018 £
<b>Interim paid</b>	<u>551,892</u>	<u>101,953</u>

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 10 Intangible fixed assets

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 April 2018	63,612	214,036	277,648
Additions - separately acquired	-	8,846	8,846
Disposals	-	(8,109)	(8,109)
At 31 March 2019	63,612	214,773	278,385
<b>Amortisation and impairment</b>			
At 1 April 2018	63,612	183,063	246,675
Amortisation charged for the year	-	22,631	22,631
Disposals	-	(8,109)	(8,109)
At 31 March 2019	63,612	197,585	261,197
<b>Carrying amount</b>			
At 31 March 2019	-	17,188	17,188
At 31 March 2018	-	30,973	30,973

### 11 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2018	314,140	327,744	641,884
Additions	-	84,561	84,561
Disposals	-	(41,974)	(41,974)
At 31 March 2019	314,140	370,331	684,471
<b>Depreciation and impairment</b>			
At 1 April 2018	310,374	191,363	501,737
Depreciation charged in the year	2,782	59,912	62,694
Eliminated in respect of disposals	-	(41,974)	(41,974)
At 31 March 2019	313,156	209,301	522,457
<b>Carrying amount</b>			
At 31 March 2019	984	161,030	162,014
At 31 March 2018	3,766	136,381	140,147

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	13	124,721	124,721

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2018 & 31 March 2019	124,721
<b>Carrying amount</b>	
At 31 March 2019	124,721
At 31 March 2018	124,721

### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Fitton Associates Limited	Jackson House, Dormant Sibson Road, Sale, Manchester, M33 7RR		Ordinary	100.00

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,209,381	2,152,335
Gross amounts owed by contract customers	473,732	386,992
Amounts owed by group undertakings	2,393,858	365,045
Prepayments and accrued income	373,441	395,377
	5,450,412	3,299,749

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Payments received on account	890,397	760,269
Trade creditors	591,664	392,819
Amounts owed to group undertakings	124,721	124,721
Corporation tax	546,414	260,548
Other taxation and social security	568,894	523,662
Other creditors	71,432	63,905
Accruals and deferred income	560,165	711,590
	<u>3,353,687</u>	<u>2,837,514</u>

### 16 Provisions for liabilities

	Notes	2019 £	2018 £
Pension provision	see below	-	28,900
Deferred tax liabilities	17	-	8,000
		<u>-</u>	<u>36,900</u>
			<b>Pension provision</b>
			<b>£</b>
At 1 April 2018			28,900
Reversal of provision			(28,900)
At 31 March 2019			<u>-</u>

### 17 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
ACAs	-	18,647
Other short term timing differences	-	(10,647)
	<u>-</u>	<u>8,000</u>

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 17 Deferred taxation

(Continued)

	2019 £
<b>Movements in the year:</b>	
Liability at 1 April 2018	8,000
Credit to profit or loss	(8,000)
Liability at 31 March 2019	-

### 18 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	320,040	381,370

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

### 19 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
7,182 Ordinary shares of £1 each	7,182	7,182
	<u>7,182</u>	<u>7,182</u>

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

### 20 Capital redemption reserve

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

### 21 Profit and loss reserves

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



# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 22 Financial commitments, guarantees and contingent liabilities

During the year a composite company unlimited multilateral guarantee has been given by AA Projects (2018) Limited and its subsidiary undertakings, including AA Projects Limited. The guarantee is in respect of bank borrowings.

At the year end the maximum potential liability for the company under the guarantee amounted to £3,470,834.

### 23 Operating lease commitments

#### Lessee

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

	2019 £	2018 £
Within one year	236,861	229,125
Between two and five years	440,949	523,938
	<u>677,810</u>	<u>753,063</u>

### 24 Related party transactions

#### Transactions with related parties

During the year the company made purchases of £42,518 (2018 - £181,080) from Advantage Projects Limited. At the year end the company owed Advantage Projects Limited £nil (2018 - £12,967). E P Allen is a director of Advantage Projects Limited.

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

### 25 Controlling party

The company is a 100% subsidiary of AA Projects Group Limited. AA Projects Group Limited was the immediate and ultimate parent until 6 April 2018. From 6 April 2018 the ultimate parent company is AA Projects (2018) Limited. The registered office of both these companies is Jackson House, Sibson Road, Sale, Manchester, M33 7RR.

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

# AA PROJECTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 26 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	2,218,338	1,075,308
<b>Adjustments for:</b>		
Taxation charged	524,121	260,102
Investment income	(1,665)	(2,064)
(Gain)/loss on disposal of tangible fixed assets	-	3,472
Amortisation and impairment of intangible assets	22,631	46,326
Depreciation and impairment of tangible fixed assets	62,694	69,896
(Decrease) in provisions	(28,900)	-
<b>Movements in working capital:</b>		
(Increase) in debtors	(2,150,663)	(771,502)
Increase in creditors	230,307	249,208
<b>Cash generated from operations</b>	<u>876,863</u>	<u>930,746</u>