

ARMSTRONG & ARMSTRONG LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

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FOR THE YEAR ENDED 29 FEBRUARY 2020**

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ARMSTRONG & ARMSTRONG LIMITED (REGISTERED NUMBER: SC316269)

BALANCE SHEET
29 FEBRUARY 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Investment property	4		873,381		873,381
CURRENT ASSETS					
Debtors	5	25,762		27,862	
Cash at bank		<u>30,766</u>		<u>27,572</u>	
		56,528		55,434	
CREDITORS					
Amounts falling due within one year	6	<u>393,222</u>		<u>392,882</u>	
NET CURRENT LIABILITIES			<u>(336,694)</u>		<u>(337,448)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			536,687		535,933
CREDITORS					
Amounts falling due after more than one year	7		(447,063)		(447,063)
PROVISIONS FOR LIABILITIES			<u>(23,000)</u>		<u>(23,000)</u>
NET ASSETS			<u>66,624</u>		<u>65,870</u>
CAPITAL AND RESERVES					
Called up share capital			2		2
Fair value reserve			167,344		167,344
Profit and loss account			<u>(100,722)</u>		<u>(101,476)</u>
SHAREHOLDERS' FUNDS			<u>66,624</u>		<u>65,870</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 29 February 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 29 February 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
29 FEBRUARY 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2020 and were signed on its behalf by:

Ms M E M Armstrong - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

1. STATUTORY INFORMATION

Armstrong & Armstrong Limited, is a private company, limited by shares, registered in Scotland. The registered office is Caledonia House, 89 Seaward Street, Glasgow, G41 1HJ.

The financial statements are presented in Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

There were no material departures from the standard.

Going concern

The financial statements have been prepared on a going concern basis. This is dependent upon the continuing financial support of the directors and the financial performance of the company following the restrictions and other conditions placed throughout the UK due to the Covid-19 pandemic and in particular, the impact thereof on the property market. After due consideration, the directors consider it appropriate to prepare the financial statements on a going concern basis and confirm their support of the company for a minimum of 12 months from the date of signing the financial statements.

Judgements

The company considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements.

The directors consider there are no such significant judgements.

Turnover

Turnover represents rents receivable, excluding value added tax. The company's policy is to recognise rental income in accordance with the terms of the lease agreements.

Investment property

All of the company's properties are held for long term investment. Investment properties are accounted for as follows:

(i) Investment properties are initially recorded at cost which includes purchase cost and any directly attributable expenditure.

(ii) Thereafter, investment properties are revalued at each balance sheet date to their fair value, where this can be measured reliably.

(iii) The surplus or deficit arising on revaluation in the financial year is recognised in the profit and loss account for that year. Revaluation gains and losses are accumulated in the profit and loss account reserve, unless the revaluation amount exceeds original cost in which case, a transfer is made of the surplus to a non- distributable reserve (fair value reserve) in the balance sheet.

(iv) Deferred taxation is provided on any gains at the rate expected to apply when a property is sold.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 FEBRUARY 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense is presented either in profit or loss, other comprehensive income or statement of changes in equity depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Redeemable preference shares

The preference shares are non-voting, redeemable, non participating shares that exhibit the characteristics of a financial liability and as such are recognised as a liability in the balance sheet.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 FEBRUARY 2020

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2019 - NIL) .

4. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 March 2019	
and 29 February 2020	<u>873,381</u>
NET BOOK VALUE	
At 29 February 2020	<u>873,381</u>
At 28 February 2019	<u>873,381</u>

The fair value of the investment property at 29 February 2020, has been arrived at on the basis of a valuation carried out at that date by the company directors, who are not professionally qualified valuers. The valuation, which does not differ from the valuation at the end of the previous reporting period, was arrived at by reference to market evidence of transaction prices for similar properties in their location and takes into account the current state of the rental market in the area where the properties are situated.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	25,662	22,780
Other debtors	<u>100</u>	<u>5,082</u>
	<u>25,762</u>	<u>27,862</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	13,284	13,230
Taxation and social security	3,235	3,177
Other creditors	<u>376,703</u>	<u>376,475</u>
	<u>393,222</u>	<u>392,882</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other creditors	<u>447,063</u>	<u>447,063</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 FEBRUARY 2020

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	2020	2019
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Preference shares	<u>447,063</u>	<u>447,063</u>

8. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 29 February 2020 and 28 February 2019:

	2020	2019
	£	£
Ms M E M Armstrong		
Balance outstanding at start of year	4,981	24,001
Amounts advanced	-	6,507
Amounts repaid	(4,981)	(25,527)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>4,981</u>

9. POST BALANCE SHEET EVENTS

Since 29 February 2020, the fair value of the company's investment property has been affected as a result of market volatility and weakness due to the Covid-19 pandemic and efforts to control its spread. The affect on the fair value is not reflected in the financial statements at 29 February 2020. It is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of the company for future periods.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.