

Registered number  
00719464

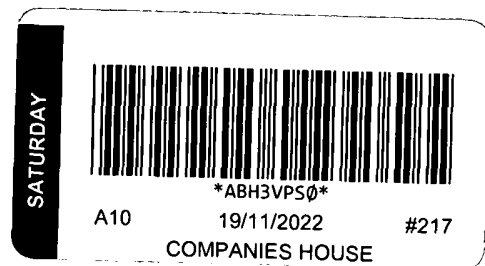
R W Armstrong & Sons Limited

Report and Financial Statements

31 March 2022

RWARMSTRONG

PRESERVING THE PAST. SHAPING THE FUTURE.



**R W Armstrong & Sons Limited**  
**Report and accounts**  
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**R W Armstrong & Sons Limited**  
**Company Information**

**Directors**

N J Armstrong  
S D J Lewis  
Mrs G Hall

**Secretary**

Mrs A R Tirri

**Registered office**

Armstrong House  
Aldermaston Road  
Sherborne St John, Basingstoke  
Hampshire  
RG24 9JZ

**Registered number**

00719464

**Auditors**

Kreston Reeves LLP  
Chartered Accountants and Statutory Auditor  
9 Donnington Park  
85 Birdham Road  
Chichester  
West Sussex  
PO20 7AJ

**R W Armstrong & Sons Limited**

**Registered number:** 00719464

**Directors' Report**

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

**Principal activities**

The company's principal activity during the year continued to be that of building contractors.

**Future developments**

Future opportunities are many and varied and enquiries are increasing despite the economic conditions.

Our Traditional Works teams are busy with smaller residential contracts and maintenance for our established client base. Our core business activity comprises major projects from £3M in value to £45M across the whole of central southern England. Our dedicated conservation division, Daedalus Conservation, remains very active in the historic sector having completed a number of projects for the Royal Household, Westminster Abbey, The National Trust and others during the course of year.

In addition to a healthy pipeline for the coming year; by the end of Q1, we had already secured in excess of £40M for the financial year 2023/24.

With most larger projects being procured on a negotiated or two-stage basis, any significant inflation risk has been largely offset.

The spring of this year saw the opening of our new 25,000 ft.<sup>2</sup> joinery facility. This has been a major investment for the company and will be a huge asset in the coming years.

Our long-standing joinery offering has been further enhanced with the establishment of Saint John Architectural Interiors, offering a bespoke design, manufacturing and installation service for high-end cabinetry, bespoke furniture, kitchens and interiors.

Our continued investment in training and technology has improved staff retention, reduced recruitment costs and continues to improve the quality of construction project outcomes; the stability of trained and motivated project teams ensuring consistent delivery.

We have nurtured a hugely talented team of both management and site staff who are motivated to providing the highest standard of construction services in order to firmly cement our reputation as the very best at what we do.

We seek to conduct every aspect of our business with honesty, integrity and openness, respecting human rights and the interests of our employees, customers and third parties. The company is committed to creating and maintaining a safe and healthy working environment for its employees. The company is committed to providing safe, value for money, high quality, consistent, accessible and reliable service to its customers.

**R W Armstrong & Sons Limited****Registered number:****00719464****Directors' Report****Research and development**

The company engages in research and development activities to develop innovative solutions to enable the restoration of complex and historic buildings. This work constitutes part of the company's business activities, which requires the resolution of scientific or technological uncertainties. This continuous development of knowledge surrounding the repair of heritage structures allows the company to sustain its competitive advantage, promoting the company's growth.

**Energy and carbon reporting**

During the financial year, the Company's emissions, energy consumption and energy efficiency activities were as follows:

**Energy consumption**

Aggregate of energy consumption in the year		<u>785,652 kWh</u>	
<i>Emissions of CO<sub>2</sub> equivalent</i>		<u>2022</u>	<u>2021</u>
<i>Direct emissions:</i>		<b>CO<sub>2</sub>e</b>	<b>CO<sub>2</sub>e</b>
Fuel in plant & equipment	79,066		
Company vehicles	189,003		
Other travel	<u>14,005</u>	282,074	562,267
Gas used in offices	37,919		
Electricity used in offices	40,032		
Water used in offices	252		
Air conditioning use in offices	<u>3,838,104</u>	3,916,307	4,866,357
<i>Indirect emissions:</i>			
Gas used at sites	81,168		
Oil used at sites	31,598		
Natural gas used at sites	8,472		
Electricity used at sites	117,922		
Water used at sites	<u>469</u>	239,629	408,786
Waste activities		<u>1,097,192</u>	<u>1,166,970</u>
		<u>5,535,202</u>	<u>7,004,380</u>

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub> per £m of turnover. This was 0.09 for the year (2021: 0.12).

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

**Directors**

The following persons served as directors during the year:

N J Armstrong  
S D J Lewis  
Mrs G Hall

**R W Armstrong & Sons Limited**

**Registered number:** 00719464

**Directors' Report**

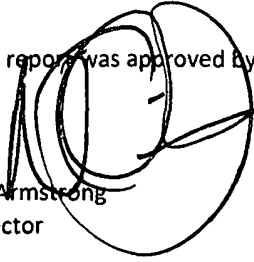
**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 27 September 2022 and signed on its behalf.

N J Armstrong  
Director

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

**R W Armstrong & Sons Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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 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.

**R W Armstrong & Sons Limited**  
**Strategic Report**

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

**Review of the business:**

After securing our targeted turnover of £70M+ for the financial year 2020/21, we witnessed a disappointingly large number of projects that were slow in getting onto site. After gearing up our resources and overheads to adequately cope with this workload, the resulting drop-off in turnover had a negative effect on profitability.

However, at the end of Q1 in our current financial year, 2021/22, we had secured turnover for the year in excess of £70M, and after the experience of last year are confident we shall exceed this number.

Increased effort has been put into supply chain management and project programming. The recruitment, training and personal development of key staff is an increasingly important factor in an increasingly complex construction environment.

Quality of product and client satisfaction remains high.

Despite the dire economic forecasts, enquiry volumes remain extremely high across all value ranges and our networks both up and down the supply chain are expanding. Our strategy of selectively targeting new geographical areas while developing specialised management teams servicing differing project values remains successful. Investment in business development and staff training is increasing in line with our organic expansion.

Our health and safety performance remains excellent.

The company's key financial and other performance indicators during the year were as follows:

Turnover £59,198,735 (2021: £57,588,451)  
Profit for the year after taxation £820,028 (2021: £1,759,498)  
Total dividends declared in the year £905,174 (2021: £167,125)

**Principal risks and uncertainties:**

The ongoing and damaging effects of inflation will need to be carefully monitored and managed. Energy costs in particular will remain a burden for the foreseeable future. Covid has not gone away and its potential for future disruption cannot be discounted.

Tender pricing levels remain competitive, despite high demand, but opportunities for negotiated and cost-plus contracts are increasing as enquiry levels remain extremely high. Despite continued pressure on margins, reinvestment in the company continues with a view to the longer-term strengthening of the group.

Efforts are continuing in fostering relationships with key suppliers and subcontractors in order to achieve price certainty and resource reliability on fixed price contracts. Financial pressures on both clients and subcontractors remain a risk.

The directors of the company consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

This report was approved by the board on 27 September 2022 and signed by its order.

N J Armstrong  
Director



**R W Armstrong & Sons Limited**  
**Profit and loss account**  
**for the year ended 31 March 2022**

	Notes	2022 £	2021 £
Turnover	2	59,198,735	57,588,451
Cost of sales		(52,828,717)	(50,207,365)
<b>Gross profit</b>		<u>6,370,018</u>	<u>7,381,086</u>
Administrative expenses		(5,672,319)	(6,915,143)
Other operating income		75,748	1,041,665
<b>Operating profit</b>	3	<u>773,447</u>	<u>1,507,608</u>
Profit on sale of fixed assets		27,131	2,193
Interest receivable		3,479	164
Interest payable	6	(74,816)	(66,702)
<b>Profit on ordinary activities before taxation</b>		<u>729,241</u>	<u>1,443,263</u>
Tax on profit on ordinary activities	7	90,787	316,235
<b>Profit for the financial year</b>		<u><u>820,028</u></u>	<u><u>1,759,498</u></u>

**R W Armstrong & Sons Limited**  
**Balance Sheet**  
**as at 31 March 2022**

Company number

00719464

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	3,936,540	1,336,699
Investments	9	910	910
		<u>3,937,450</u>	<u>1,337,609</u>
<b>Current assets</b>			
Stocks	10	41,192	62,390
Debtors	11	14,150,553	13,502,299
Cash at bank and in hand		<u>2,997,961</u>	<u>8,297,958</u>
		<u>17,189,706</u>	<u>21,862,647</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(15,543,626)</u>	<u>(18,294,125)</u>
<b>Net current assets</b>		1,646,080	3,568,522
<b>Total assets less current</b>		<u>5,583,530</u>	<u>4,906,131</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(738,582)	(150,365)
<b>Provisions for liabilities</b>			
Deferred taxation	16	(271,029)	(96,701)
<b>Net assets</b>		<u>4,573,919</u>	<u>4,659,065</u>
<b>Capital and reserves</b>			
Called up share capital	17	42	42
Capital redemption reserve		58	58
Profit and loss account	18	4,573,819	4,658,965
<b>Total equity</b>		<u>4,573,919</u>	<u>4,659,065</u>

  
N J Armstrong  
Director

Approved by the board on 27 September 2022

**R W Armstrong & Sons Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 March 2022**

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
<b>At 1 April 2020</b>	42	58	3,066,592	3,066,692
Profit for the financial year			1,759,498	1,759,498
Dividends			(167,125)	(167,125)
<b>At 31 March 2021</b>	<u>42</u>	<u>58</u>	<u>4,658,965</u>	<u>4,659,065</u>
 <b>At 1 April 2021</b>	 42	 58	 4,658,965	 4,659,065
Profit for the financial year			820,028	820,028
Dividends			(905,174)	(905,174)
<b>At 31 March 2022</b>	<u>42</u>	<u>58</u>	<u>4,573,819</u>	<u>4,573,919</u>

**R W Armstrong & Sons Limited**  
**Statement of Cash Flows**  
**for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Operating activities</b>			
Profit for the financial year		820,028	1,759,498
Adjustments for:			
Profit on sale of fixed assets		(27,131)	(2,193)
Interest receivable		(3,479)	(164)
Interest payable		74,816	66,702
Tax on profit on ordinary activities		(90,787)	(316,235)
Depreciation		281,284	164,975
Decrease in stocks		21,198	19,942
(Increase)/decrease in debtors		(325,324)	1,318,894
Decrease in creditors		(2,230,943)	(621,854)
		<u>(1,480,338)</u>	<u>2,389,565</u>
Interest received		31	164
Interest paid		(59,030)	(59,712)
Interest element of finance lease payments		(15,786)	(6,990)
Corporation tax paid		(54,367)	(250,000)
		<u>(1,609,490)</u>	<u>2,073,027</u>
Cash (used in)/generated by operating activities			
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(2,483,196)	(267,523)
Proceeds from sale of tangible fixed assets		83,108	45,450
		<u>(2,400,088)</u>	<u>(222,073)</u>
Cash used in investing activities			
<b>Financing activities</b>			
Equity dividends paid		(905,174)	(167,125)
Capital element of finance lease payments		(385,245)	(56,560)
		<u>(1,290,419)</u>	<u>(223,685)</u>
Cash used in financing activities			
<b>Net cash (used)/generated</b>			
Cash (used in)/generated by operating activities		(1,609,490)	2,073,027
Cash used in investing activities		(2,400,088)	(222,073)
Cash used in financing activities		(1,290,419)	(223,685)
		<u>(5,299,997)</u>	<u>1,627,269</u>
Net cash (used)/generated			
Cash and cash equivalents at 1 April		8,297,958	6,670,689
Cash and cash equivalents at 31 March		<u>2,997,961</u>	<u>8,297,958</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>2,997,961</u>	<u>8,297,958</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Revenue recognition***

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when:  
the amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognises and reflects a proportion of the work completed to date on each project. The gross amount due from customers for contract work is included in the financial statements as an asset and the gross amount due to suppliers for contract work is included in the financial statements as a liability.

***Grants***

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property & improvements	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

***Investments***

Investments in subsidiaries and joint ventures are measured at cost less any accumulated impairment losses. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

***Stocks***

Stocks are measured at the lower of cost or realisable value.

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognises and reflects a proportion of the work completed to date on each project. Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress within debtors are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Full provision for losses on all contracts is made in the year in which the loss is first foreseen.

***Debtors***

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

***Creditors***

Trade creditors are obligations to pay for goods or services which have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

***Provisions***

Provisions (liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

***Leased assets***

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease. Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

***Pensions***

Contributions to defined contribution plans, under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods, are expensed in the period to which they relate.

***Key estimate assumptions and judgements***

The calculation of amounts recoverable under long term contracts and associated costs is based on the income and costs to the year end for each contract, and the expected gross profit from the expected outcome based on a review of the contract progress to date.

<b>2 Analysis of turnover</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Building contracts	<u>59,198,735</u>	<u>57,588,451</u>
By geographical market:		
UK	<u>59,198,735</u>	<u>57,588,451</u>
<b>3 Operating profit</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	102,716	74,755
Depreciation of assets held under finance leases and hire purchase contracts	178,568	90,220
Auditors' remuneration for audit services	<u>14,300</u>	<u>14,300</u>
and after crediting Other operating income	<u>75,748</u>	<u>1,041,665</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

<b>4 Directors' emoluments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Emoluments	-	123,866
Company contributions to defined contribution pension plans	-	12,000
Employers' NIC contributions	-	15,811
	<u>-</u>	<u>151,677</u>
Directors are considered to be the key management personnel. Highest paid director:		
Emoluments	-	123,866
Company contributions to defined contribution pension plans	-	12,000
	<u>-</u>	<u>135,866</u>
<b>Number of directors to whom retirement benefits accrued:</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Defined contribution plans	<u>3</u>	<u>4</u>
<b>5 Staff costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries (including directors)	9,549,363	9,465,711
Social security costs	996,469	950,333
Other pension costs	37,930	341,457
	<u>10,583,762</u>	<u>10,757,501</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	12	12
Development	63	69
Site managers	37	40
Operatives	65	79
Directors	<u>4</u>	<u>4</u>
	<u>181</u>	<u>204</u>



**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

<b>6 Interest payable</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	815
Other loans	59,030	58,897
Finance charges payable under finance leases and hire purchase contracts	15,786	6,990
	<u>74,816</u>	<u>66,702</u>

<b>7 Taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits/(losses) of the period	(265,115)	(69,898)
Adjustments in respect of previous periods	-	(244,943)
	<u>(265,115)</u>	<u>(314,841)</u>
Deferred tax:		
Origination and reversal of timing differences	174,328	(1,394)
	<u>174,328</u>	<u>(1,394)</u>
Tax on loss on ordinary activities	<u>(90,787)</u>	<u>(316,235)</u>

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>729,241</u>	<u>1,443,263</u>
Standard rate of corporation tax in the UK	19%	19%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	138,556	274,220
Effects of:		
Expenses not deductible for tax purposes	(403,671)	(344,118)
Adjustments to tax charge in respect of previous periods	-	(244,943)
Current tax charge for period	<u>(265,115)</u>	<u>(314,841)</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

**8 Tangible fixed assets**

	<b>Leasehold improvement</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>				
At 1 April 2021	644,691	716,789	1,225,128	2,586,608
Additions	1,584,484	861,868	490,750	2,937,102
Disposals	-	(4,577)	(266,945)	(271,522)
At 31 March 2022	<u>2,229,175</u>	<u>1,574,080</u>	<u>1,448,933</u>	<u>5,252,188</u>
<b>Depreciation</b>				
At 1 April 2021	8,744	563,297	677,868	1,249,909
Charge for the year	19,522	35,895	225,867	281,284
On disposals	-	(4,350)	(211,195)	(215,545)
At 31 March 2022	<u>28,266</u>	<u>594,842</u>	<u>692,540</u>	<u>1,315,648</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>2,200,909</u>	<u>979,238</u>	<u>756,393</u>	<u>3,936,540</u>
At 31 March 2021	<u>635,947</u>	<u>153,492</u>	<u>547,260</u>	<u>1,336,699</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Carrying value of motor vehicles included above held under finance leases and hire purchase contracts	<u>627,128</u>	<u>434,009</u>

**9 Investments**

	<b>Investments in subsidiary undertakings</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2021	910
At 31 March 2022	<u>910</u>
<b>Historical cost</b>	
At 1 April 2021	<u>910</u>
At 31 March 2022	<u>910</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

The company holds 20% or more of the share capital of the following companies:

Company	Shares held Class	%	Capital and reserves £	Profit (loss) for the year £
E A Chiverton Limited	Ordinary	100	910	-

10 Stocks	2022 £	2021 £
Raw materials and consumables	<u>41,192</u>	<u>62,390</u>

11 Debtors	2022 £	2021 £
Trade debtors	10,799,043	11,031,548
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,171,784	1,091,962
Other debtors	810,430	483,666
Prepayments and accrued income	12,971	37,761
Construction contract debtors	<u>1,356,325</u>	<u>857,362</u>
	<u>14,150,553</u>	<u>13,502,299</u>

Included in amounts due by group undertakings is £1,000,000 (2021: £1,000,000) due after more than one year.

12 Creditors: amounts falling due within one year	2022 £	2021 £
Obligations under finance lease and hire purchase contracts	196,453	126,009
Trade creditors	5,059,808	6,179,064
Amounts owed to group undertakings and undertakings in which the company has a participating interest	239,490	623,673
Other taxes and social security costs	973,992	722,498
Other creditors	113,126	140,434
Directors' loan account	-	590,000
Accruals and deferred income	<u>8,960,757</u>	<u>9,912,447</u>
	<u>15,543,626</u>	<u>18,294,125</u>

13 Creditors: amounts falling due after one year	2022 £	2021 £
Obligations under finance lease and hire purchase contracts	148,582	150,365
Directors' loan account	<u>590,000</u>	<u>-</u>
	<u>738,582</u>	<u>150,365</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

<b>14 Obligations under finance leases and hire purchase contracts</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Within one year	196,453	126,009
Within two to five years	148,582	150,365
	<u>345,035</u>	<u>276,374</u>

**15 Analysis of net debt for the year**

	<b>1 April</b>	<b>Cash flows</b>	<b>31 March</b>
	<b>2021</b>		<b>2022</b>
Cash at bank and in hand	8,297,958	(5,299,997)	2,997,961
Finance leases	(276,374)	(68,661)	(345,035)
	<u>8,021,584</u>	<u>(5,368,658)</u>	<u>2,652,926</u>

<b>16 Deferred taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>271,029</u>	<u>96,701</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 April	96,701	98,095
Charged/(credited) to the profit and loss account	174,328	(1,394)
At 31 March	<u>271,029</u>	<u>96,701</u>

<b>17 Share capital</b>	<b>Nominal value</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
		<b>Number</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
B Ordinary shares	1p each	110	11	11
C Ordinary shares	1p each	120	12	12
D Ordinary shares (non-voting)	1p each	40	4	4
E Ordinary shares (non-voting)	1p each	20	2	2
F Ordinary shares	1p each	120	12	12
G Ordinary shares (non-voting)	1p each	10	1	1
			<u>42</u>	<u>42</u>

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

<b>18 Profit and loss account</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 April	4,658,965	3,066,592
Profit for the financial year	820,028	1,759,498
Dividends	(905,174)	(167,125)
At 31 March	<u>4,573,819</u>	<u>4,658,965</u>

<b>19 Dividends</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends on C ordinary shares	<u>905,174</u>	<u>167,125</u>

**20 Other financial commitments**

Total future minimum lease payments under non-cancellable operating leases:

	<b>Land and buildings 2022 £</b>	<b>Land and buildings 2021 £</b>
Falling due:		
not later than one year	265,303	242,614
within two to five years	563,182	622,787
later than five years	<u>7,491,160</u>	<u>7,733,337</u>
	<u>8,319,645</u>	<u>8,598,738</u>

A lease was entered into for land on which the company's new joinery & manufacturing facility has been created. The lease is for 150 years to 2170, at £54,680 a year payable to Basingstoke & Deane Borough Council, which gives rise to the technical commitment shown above as being beyond five years under FRS 102. This lease is fully assignable and the premises can be underlet in whole or in part.

The amount of operating lease payments recognised as an expense during the year was £283,614 (2021: £219,201).

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

**21 Related party transactions**

Transactions with directors:

Mr N J Armstrong is a director and shareholder.

Rent of £93,826 (2021: £93,826) was paid for the occupation of the office premises owned by individuals including Mr and Mrs N J Armstrong .

Interest of £59,030 (2021: £58,897) was paid to Mr and Mrs N J Armstrong in respect of their loan to the company.

Mr N J Armstrong has given a guarantee to the company's bankers in the sum of £100,000 in respect of the overdraft facility.

At the year end the amount due to Mr and Mrs N J Armstrong was £590,000 (2021: £590,000).

Mr and Mrs N J Armstrong received building services from the group of £86,992 (2021: £28,660).

S Lewis is a director of both CJS� Property Limited and R W Armstrong & Sons Limited.

During the year the company paid rent of £34,300 (2021: £34,300) to CJS� Property Limited, £nil remaining due (2021: £18).

A loan was extended to S Lewis during the year and £138,745 was outstanding at the year end (2021: £nil).

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

**R W Armstrong & Sons Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2022**

**22 Controlling party**

The company's immediate parent company is R W Armstrong Group Limited, England, and its ultimate holding company is R W Armstrong Holdings Limited, both incorporated in England.

**23 Presentation currency**

The financial statements are presented in sterling.

**24 Legal form of entity and country of incorporation**

R W Armstrong & Sons Limited is a private company limited by shares and incorporated in England.

**25 Principal place of business**

The address of the company's principal place of business and registered office is as follows and from where copies of the group accounts can be obtained:

Armstrong House  
Aldermaston Road  
Sherborne St John, Basingstoke  
Hampshire  
RG24 9JZ

**R W Armstrong & Sons Limited**  
**Independent auditor's report**  
**to the members of R W Armstrong & Sons Limited**

**Opinion**

We have audited the financial statements of R W Armstrong & Sons Limited for the year ended 31 March 2022 which comprise the profit and loss account, 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 the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.



**R W Armstrong & Sons Limited**  
**Independent auditor's report**  
**to the members of R W Armstrong & Sons Limited**

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

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

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

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

In the light of the knowledge and understanding of the company and its 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, 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.

**Capability of the audit in detecting irregularities, including fraud:**

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, employment law and GDPR. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such revenue and margin recognition on long-term contracts.

## R W Armstrong & Sons Limited independent auditor's report to the members of R W Armstrong & Sons Limited

Audit procedures performed by the group engagement team included:

- discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including GDPR) and fraud; and
- assessment of identified fraud risk factors; and
- identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- checking and performing the reconciliation of key control accounts; and
- performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- reading minutes of meetings of those charged with governance; and
- review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation, using data analytics software; and
- review of construction contracts, invoices and third party Quantity Surveyor certificates; and
- review of post year end customer receipts to assess recoverability of trade debtors.

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.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- identifies and assesses the risks of material misstatement of the entity's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

**R W Armstrong & Sons Limited**  
**Independent auditor's report**  
**to the members of R W Armstrong & Sons Limited**

**Use of our report**

This report is made solely to the company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Simon Webber BA(hons), DChA, FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Kreston Reeves LLP  
Statutory Auditor

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14th November 2022