

Registered number

04754819

A & A Trading Co Ltd

Filleted Accounts

31 May 2021

**A & A Trading Co Ltd****Registered number:** 04754819**Balance Sheet****as at 31 May 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investments	3	1,650,000	1,600,000
<b>Current assets</b>			
Debtors	4	276,130	213,861
Cash at bank and in hand		17,427	7,018
		<u>293,557</u>	<u>220,879</u>
<b>Creditors: amounts falling due within one year</b>	5	(161,710)	(135,685)
<b>Net current assets</b>		<u>131,847</u>	<u>85,194</u>
<b>Total assets less current liabilities</b>		<u>1,781,847</u>	<u>1,685,194</u>
<b>Creditors: amounts falling due after more than one year</b>	6	(575,888)	(585,050)
<b>Provisions for liabilities</b>		(96,830)	(87,330)
<b>Net assets</b>		<u><u>1,109,129</u></u>	<u><u>1,012,814</u></u>
<b>Capital and reserves</b>			
Called up share capital		143,156	143,156
Profit and loss account		965,973	869,658
<b>Shareholders' funds</b>		<u><u>1,109,129</u></u>	<u><u>1,012,814</u></u>

The director is satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

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P S Dhandwar

Director

Approved by the board on 27 January 2022

**A & A Trading Co Ltd**  
**Notes to the Accounts**  
**for the year ended 31 May 2021**

**1 Accounting policies**

***Basis of preparation***

The accounts 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 (as applied to small entities by section 1A of the standard).

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

***Investment property***

Investment property is included at fair value. Gains are recognised in the profit and loss account. Deferred tax is provided on these gains at the rate expected to apply when the property is sold. Changes in fair value are included in the profit and loss account. No depreciation is provided in respect of investment properties.

This treatment conflicts with the requirement of The Companies Act that all properties should be depreciated. However the director considers that, because this property is not held for consumption, but for their investment potential it is necessary to adopt the requirements of the FRSSE in order to give a true and fair view.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

***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 (ie 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.

### ***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

### ***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

<b>2 Employees</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Average number of persons employed by the company	<u>1</u>	<u>1</u>

### **3 Investments**

	<b>Other investments £</b>
<b>Cost</b>	
At 1 June 2020	1,600,000
Revaluation	50,000
At 31 May 2021	<u>1,650,000</u>
<b>Historical cost</b>	
At 1 June 2020	<u>1,140,367</u>
At 31 May 2021	<u>1,140,367</u>

The investment property valuation was carried out by Mr Peter Fry MRICS of Carter Jonas LLP on 4th November 2021 and has been stated at that value as at 31st May 2021.

The director believes that the property valuation is fairly stated as at the balance sheet date.

<b>4 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts owed by related undertakings and undertakings in which the company has a participating interest	276,128	212,128
Other debtors	2	1,733
	<u>276,130</u>	<u>213,861</u>

<b>5 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	54,186	28,727
Trade creditors	-	64
Amounts owed to related undertakings and undertakings in which the company has a participating interest	-	2,087
Taxation and social security costs	20,039	17,262
Director's current account	81,776	78,896
Other creditors and accruals	5,709	8,649
	<u>161,710</u>	<u>135,685</u>

<b>6 Creditors: amounts falling due after one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<u>575,888</u>	<u>585,050</u>

<b>7 Loans</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Creditors include:		
Secured bank loans	<u>580,074</u>	<u>613,777</u>

Bank loan is secured on the properties of the company.

#### **8 Non-distributable reserve**

Profit and loss accounts includes non-distributable profits arisen as a result of gains on the revaluation of investment property, net of deferred taxation. These profits are not distributable and hence are stated separately in the Statement of Changes in Equity to differentiate from distributable profits.

#### **9 Related party transactions**

During the year the company made related party transactions with Beta Shoes Ltd, a company under common control. The company charges commercial rent for the use of premises on commercial terms and management fee to this related company. Both companies also give interest free cash advances to each other on the need basis. The commercial rent and management fee for the year was £90,000 (2020: £67,500) and £nil (2020: £9000) respectively. As at the balance sheet date the amount receivable from Beta Shoes Ltd was £276,128 (2020: £212,128) and the amount payable to Beta Shoes Ltd was £nil (2020: £2,087).

## **10 Other information**

A & A Trading Co Ltd is a private company limited by shares and incorporated in England. Its registered office is:

Unit 15, Slough Interchange Industrial Estate

Whittenham Close

Slough

Berkshire

SL2 5EP

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