

Company Registration No. SC080299 (England and Wales)

**NEWTON FRICTION LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**  
**PAGES FOR FILING WITH REGISTRAR**

**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**

# NEWTON FRICTION LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr D Devlin
<b>Company number</b>	SC080299
<b>Registered office</b>	Unit 40 22 Eastmuir Street Glasgow G32 0HS
<b>Accountants</b>	PM+M Solutions for Business LLP Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

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# NEWTON FRICTION LIMITED

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# **NEWTON FRICTION LIMITED**

## **BALANCE SHEET**

**AS AT 30 JUNE 2017**

		2017	2016
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	3	51,861	64,824
<b>Current assets</b>			
Stocks		13,000	12,100
Debtors	4	34,345	27,344
Cash at bank and in hand		-	14,968
		<u>47,345</u>	<u>54,412</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(71,644)</u>	<u>(85,159)</u>
<b>Net current liabilities</b>		<u>(24,299)</u>	<u>(30,747)</u>
<b>Total assets less current liabilities</b>		<u>27,562</u>	<u>34,077</u>
<b>Provisions for liabilities</b>		<u>(8,816)</u>	<u>(11,668)</u>
<b>Net assets</b>		<u>18,746</u>	<u>22,409</u>
<b>Capital and reserves</b>			
Called up share capital	6	10	10
Profit and loss reserves		18,736	22,399
<b>Total equity</b>		<u>18,746</u>	<u>22,409</u>

## **NEWTON FRICTION LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 30 JUNE 2017**

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The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved and signed by the director and authorised for issue on 27 March 2018

Mr D Devlin

**Director**

**Company Registration No. SC080299**

# NEWTON FRICTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

#### Company information

Newton Friction Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 40, 22 Eastmuir Street, Glasgow, G32 0HS.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of Newton Friction Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 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:

Plant and equipment	20% - Reducing balance
Fixtures and fittings	20% - Reducing balance
Computers	20% - Reducing balance

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.

# NEWTON FRICTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 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.

#### 1.8 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.

##### **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.

# NEWTON FRICTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

### 1.9 Equity instruments

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

### 1.10 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.

#### **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.



# **NEWTON FRICTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 JUNE 2017**

### **1 Accounting policies**

**(Continued)**

#### **1.11 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 1 (2016 - 1).

### **3 Tangible fixed assets**

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 July 2016 and 30 June 2017	<b>156,942</b>	<b>5,190</b>	<b>160</b>	<b>162,292</b>
<b>Depreciation and impairment</b>				
At 1 July 2016	<b>92,263</b>	<b>5,140</b>	<b>64</b>	<b>97,467</b>
Depreciation charged in the year	<b>12,935</b>	<b>10</b>	<b>19</b>	<b>12,964</b>
At 30 June 2017	<b>105,198</b>	<b>5,150</b>	<b>83</b>	<b>110,431</b>
<b>Carrying amount</b>				
At 30 June 2017	<b>51,744</b>	<b>40</b>	<b>77</b>	<b>51,861</b>
At 30 June 2016	<b>64,678</b>	<b>50</b>	<b>96</b>	<b>64,824</b>

### **4 Debtors**

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	<b>34,212</b>	24,990
Other debtors	<b>133</b>	2,354
	<b>34,345</b>	27,344

# **NEWTON FRICTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 JUNE 2017**

### **5 Creditors: amounts falling due within one year**

	Notes	2017 £	2016 £
Bank loans and overdrafts		28,310	-
Obligations under finance leases		-	10,749
Trade creditors		6,928	4,153
Amounts due to group undertakings		29,595	65,247
Corporation tax		-	3,660
Other taxation and social security		5,261	-
Accruals and deferred income		1,550	1,350
		<u>71,644</u>	<u>85,159</u>

The bank overdraft is secured against the assets of the company.

### **6 Called up share capital**

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10 Ordinary of £1 each	10	10
	<u>10</u>	<u>10</u>

### **7 Operating lease commitments**

#### **Lessee**

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

	2017 £	2016 £
	2,328	9,162
	<u>2,328</u>	<u>9,162</u>

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.