

**Registered Number SC080299**

**NEWTON FRICTION LIMITED**

**Abbreviated Accounts**

**30 June 2014**

**Abbreviated Balance Sheet as at 30 June 2014**

|                                                                | <i>Notes</i> | <i>2014</i>     | <i>2013</i>     |
|----------------------------------------------------------------|--------------|-----------------|-----------------|
|                                                                |              | £               | £               |
| <b>Fixed assets</b>                                            |              |                 |                 |
| Tangible assets                                                | 2            | 101,287         | 81,952          |
|                                                                |              | <u>101,287</u>  | <u>81,952</u>   |
| <b>Current assets</b>                                          |              |                 |                 |
| Stocks                                                         |              | 8,750           | 7,824           |
| Debtors                                                        |              | 42,890          | 75,030          |
| Cash at bank and in hand                                       |              | 6,815           | 23,359          |
|                                                                |              | <u>58,455</u>   | <u>106,213</u>  |
| <b>Creditors: amounts falling due within one year</b>          |              | <u>(81,375)</u> | <u>(79,297)</u> |
| <b>Net current assets (liabilities)</b>                        |              | <u>(22,920)</u> | <u>26,916</u>   |
| <b>Total assets less current liabilities</b>                   |              | <u>78,367</u>   | <u>108,868</u>  |
| <b>Creditors: amounts falling due after more than one year</b> |              | (26,352)        | (31,636)        |
| <b>Provisions for liabilities</b>                              |              | (17,399)        | (12,139)        |
| <b>Total net assets (liabilities)</b>                          |              | <u>34,616</u>   | <u>65,093</u>   |
| <b>Capital and reserves</b>                                    |              |                 |                 |
| Called up share capital                                        | 3            | 10              | 10              |
| Profit and loss account                                        |              | 34,606          | 65,083          |
| <b>Shareholders' funds</b>                                     |              | <u>34,616</u>   | <u>65,093</u>   |

- For the year ending 30 June 2014 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 26 March 2015

And signed on their behalf by:

**Mr D Devlin, Director**

**Notes to the Abbreviated Accounts for the period ended 30 June 2014**

**1 Accounting Policies**

**Basis of measurement and preparation of accounts**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities effective April 2008.

**Turnover policy**

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

**Tangible assets depreciation policy**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery - 20% reducing balance

Fixtures & Fittings - 20% reducing balance

Motor Vehicles - 25% reducing balance

Equipment - 20% reducing balance

**Valuation information and policy**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Other accounting policies**

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Assets held under finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies.

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax is measured on a discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account. Financial instruments are classified and accounted for as financial assets, financial

liabilities or equity instruments, according to the substance of the contractual arrangement.

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account.

## 2 **Tangible fixed assets**

|                        |                |
|------------------------|----------------|
|                        | £              |
| <b>Cost</b>            |                |
| At 1 July 2013         | 126,592        |
| Additions              | 57,700         |
| Disposals              | (22,000)       |
| Revaluations           | -              |
| Transfers              | -              |
| At 30 June 2014        | <u>162,292</u> |
| <b>Depreciation</b>    |                |
| At 1 July 2013         | 44,640         |
| Charge for the year    | 19,573         |
| On disposals           | (3,208)        |
| At 30 June 2014        | <u>61,005</u>  |
| <b>Net book values</b> |                |
| At 30 June 2014        | <u>101,287</u> |
| At 30 June 2013        | <u>81,952</u>  |

## 3 **Called Up Share Capital**

Allotted, called up and fully paid:

|                               | 2014 | 2013 |
|-------------------------------|------|------|
|                               | £    | £    |
| 10 Ordinary shares of £1 each | 10   | 10   |

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