

B Newton Properties Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 31 December 2018

Company Registration No. 00828887 (England and Wales)

B Newton Properties Limited

Company Information

Directors	A C Newton V M Newton A P McGrath
Secretary	A C Newton
Company number	00828887
Registered office	409 Brighton Road South Croydon Surrey CR2 6ES
Accountants	Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

B Newton Properties Limited

Balance Sheet

As at 31 December 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		155,156		158,725
Investment properties	7		1,793,429		1,713,153
			<u>1,948,585</u>		<u>1,871,878</u>
Current assets					
Debtors	8	840,391		510,156	
Cash at bank and in hand		368,840		839,903	
		<u>1,209,231</u>		<u>1,350,059</u>	
Creditors: amounts falling due within one year	9	(77,865)		(73,705)	
Net current assets			<u>1,131,366</u>		<u>1,276,354</u>
Total assets less current liabilities			<u>3,079,951</u>		<u>3,148,232</u>
Creditors: amounts falling due after more than one year	10	(229,756)		(233,727)	
Provisions for liabilities	12	(56,907)		(61,478)	
Net assets			<u>2,793,288</u>		<u>2,853,027</u>
Capital and reserves					
Called up share capital	13	1,000,000		1,000,000	
Revaluation reserve		913,452		908,881	
Profit and loss reserves		879,836		944,146	
Total equity			<u>2,793,288</u>		<u>2,853,027</u>

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

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 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 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.

B Newton Properties Limited

Balance Sheet (Continued)

As at 31 December 2018

The financial statements were approved by the board of directors and authorised for issue on 13 June 2019 and are signed on its behalf by:

A C Newton
Director

Company Registration No. 00828887

B Newton Properties Limited

Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2017	1,000,000	865,812	958,154	2,823,966
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	-	29,061	29,061
Transfer of movement on the deferred tax provision for fair value gains	-	43,069	(43,069)	-
Balance at 31 December 2017	1,000,000	908,881	944,146	2,853,027
Year ended 31 December 2018:				
Loss and total comprehensive income for the year	-	-	(59,739)	(59,739)
Transfer of movement on the deferred tax provision for fair value gains	-	4,571	(4,571)	-
Balance at 31 December 2018	1,000,000	913,452	879,836	2,793,288

B Newton Properties Limited

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Company information

B Newton Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is 409 Brighton Road, South Croydon, Surrey, CR2 6ES.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

1.2 Turnover

Rental income is recognised on an accruals basis, net of value added tax.

Revenue from the sale of property developments is recognised when the significant risk and rewards of ownership of the property have passed to the buyer.

1.3 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:

Land and buildings Leasehold	in accordance with the lease
Fixtures, fittings & equipment	15% 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.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Although this accounting policy is in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), it is a departure from the general requirements of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

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.

1.6 Financial instruments

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

1.7 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.

1.8 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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.10 Leases

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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

The investment properties owned by the company have been revalued as at 31 December 2018 by the directors on a fair value basis.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017: 3).

4 Directors' remuneration

	2018	2017
	£	£
Remuneration paid to directors	137,789	126,012
	<u> </u>	<u> </u>

5 Taxation

	2018	2017
	£	£
Deferred tax		
Origination and reversal of timing differences	(452)	315
Deferred tax movement on unrealised fair value gains	(4,571)	(43,069)
	<u> </u>	<u> </u>
Total deferred tax	(5,023)	(42,754)
	<u> </u>	<u> </u>

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	294,466	32,111	326,577
Additions	-	6,455	6,455
At 31 December 2018	<u>294,466</u>	<u>38,566</u>	<u>333,032</u>
Depreciation and impairment			
At 1 January 2018	138,559	29,293	167,852
Depreciation charged in the year	8,909	1,115	10,024
At 31 December 2018	<u>147,468</u>	<u>30,408</u>	<u>177,876</u>
Carrying amount			
At 31 December 2018	<u>146,998</u>	<u>8,158</u>	<u>155,156</u>
At 31 December 2017	<u>155,907</u>	<u>2,818</u>	<u>158,725</u>

7 Investment property

	2018 £
Fair value	
At 1 January 2018	1,713,153
Additions	80,276
At 31 December 2018	<u>1,793,429</u>

The freehold investment properties were revalued as at 31 December 2018 by the directors on a fair value basis.

The historic cost of the investment properties at the balance sheet date is £634,146 (2017: £553,870).

8 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	16,807	12,723
Other debtors	822,955	497,256
	<u>839,762</u>	<u>509,979</u>
Deferred tax asset (note 12)	629	177
	<u>840,391</u>	<u>510,156</u>

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	5,400	6,834
Trade creditors	74	3,240
Other taxation and social security	11,588	9,821
Other creditors	60,803	53,810
	<u>77,865</u>	<u>73,705</u>

10 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	229,756	233,727
	<u>229,756</u>	<u>233,727</u>

The long-term bank loans are secured by fixed charges over certain investment properties owned by the company.

11 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities (note 12)	56,907	61,478
	<u>56,907</u>	<u>61,478</u>

12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	-	-	629	177
Revaluation gain on investment properties	56,907	61,478	-	-
	<u>56,907</u>	<u>61,478</u>	<u>629</u>	<u>177</u>

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

12 Deferred taxation	(Continued)	
		2018
Movements in the year:		£
Balance at 1 January 2018		61,301
Credit to profit and loss account		(5,023)
		<hr/>
Balance at 31 December 2018		56,278
		<hr/> <hr/>
13 Called up share capital	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
	1,000,000	1,000,000
	<hr/> <hr/>	<hr/> <hr/>
14 Capital commitments		
Amounts contracted for but not provided in the financial statements:	2018	2017
	£	£
Acquisition of investment property	56,212	-
	<hr/> <hr/>	<hr/> <hr/>

At the year end the company is contracted to pay the above amount in relation to their development of flats in Liverpool, within 12 months of the balance sheet date.

15 Related party transactions

During the year the company collected rent on behalf of the B. Newton Properties Limited Retirement Benefits Scheme and, at the year end, £8,094 (2017: £8,928) was due to the Scheme in respect of this.

Included within other debtors is a loan due from Dordy Holdings Limited of £405,917 (2017: £381,240) including accrued interest of £31,905. A C Newton and A P McGrath are directors and shareholders of Dordy Holdings Limited. During the year interest of £11,573 (2017: £16,366) was charged on this loan. Provision has been made against the total debt of £31,905 (2017: £nil).

Included within other debtors at year end is an amount of £38,842 (2017: £19,025) owed from A C Newton, a director of the company. During the year interest of £928 (2017: £478) was charged on this loan.

Included within other debtors at year end is a balance due from Newton Honda Limited, a company controlled by A C Newton, of £149,004 (2017: £33,093). The company has charged management fees of £40,000 (2017: £50,000) to Newton Honda Limited, which is included within other debtors.

