

B Newton Properties Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 31 December 2019

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	Moore Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

B Newton Properties Limited

Balance Sheet

As at 31 December 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		144,837		155,156
Investment properties	7		1,621,207		1,793,429
			<u>1,766,044</u>		<u>1,948,585</u>
Current assets					
Debtors	8	852,326		840,391	
Cash at bank and in hand		307,679		368,840	
		<u>1,160,005</u>		<u>1,209,231</u>	
Creditors: amounts falling due within one year	9	(72,675)		(77,865)	
Net current assets			<u>1,087,330</u>		<u>1,131,366</u>
Total assets less current liabilities			<u>2,853,374</u>		<u>3,079,951</u>
Creditors: amounts falling due after more than one year	10	(224,319)		(229,756)	
Provisions for liabilities	12	(54,737)		(56,907)	
Net assets			<u>2,574,318</u>		<u>2,793,288</u>
Capital and reserves					
Called up share capital	13	1,000,000		1,000,000	
Revaluation reserve		915,622		913,452	
Profit and loss reserves		658,696		879,836	
Total equity			<u>2,574,318</u>		<u>2,793,288</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 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 2019

The financial statements were approved by the board of directors and authorised for issue on 26 August 2020 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 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2018	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
Year ended 31 December 2019:				
Loss and total comprehensive income for the year	-	-	(218,970)	(218,970)
Transfer of movement on the deferred tax provision for fair value gains	-	2,170	(2,170)	-
Balance at 31 December 2019	1,000,000	915,622	658,696	2,574,318

B Newton Properties Limited

Notes to the Financial Statements

For the year ended 31 December 2019

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 Going concern

The directors have assessed the impact of the worldwide COVID-19 pandemic on the company and consider any impact or delays to be short term only. As a result the directors believe that the company will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

1.3 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.

1.4 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:

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.

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 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 2019 by the directors on a fair value basis.

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018: 3).

4 Directors' remuneration

	2019 £	2018 £
Remuneration paid to directors	132,622	137,789

5 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	104	(452)
Deferred tax movement on unrealised fair value gains	(2,170)	(4,571)
Total deferred tax	(2,066)	(5,023)

6 Tangible fixed assets

	Land and buildings etc £	Plant and machinery etc £	Total £
Cost			
At 1 January 2019	294,466	38,566	333,032
Additions	-	270	270
At 31 December 2019	294,466	38,836	333,302
Depreciation and impairment			
At 1 January 2019	147,468	30,408	177,876
Depreciation charged in the year	8,900	1,689	10,589
At 31 December 2019	156,368	32,097	188,465
Carrying amount			
At 31 December 2019	138,098	6,739	144,837
At 31 December 2018	146,998	8,158	155,156

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

7 Investment property

	2019
	£
Fair value	
At 1 January 2019	1,793,429
Additions	11,416
Revaluations	(183,638)
	<u> </u>
At 31 December 2019	<u>1,621,207</u>

The freehold investment properties were revalued as at 31 December 2019 by the directors on a fair value basis.

The historic cost of the investment properties at the balance sheet date is £645,562 (2018: £634,146).

8 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	24,800	16,807
Other debtors	827,001	822,955
	<u> </u>	<u> </u>
	851,801	839,762
Deferred tax asset (note 12)	525	629
	<u> </u>	<u> </u>
	<u>852,326</u>	<u>840,391</u>

9 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	5,595	5,400
Trade creditors	279	74
Other taxation and social security	9,888	11,588
Other creditors	56,913	60,803
	<u> </u>	<u> </u>
	<u>72,675</u>	<u>77,865</u>

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

10 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	224,319	229,756
	<u> </u>	<u> </u>

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

11 Provisions for liabilities

	2019	2018
	£	£
Deferred tax liabilities (note 12)	54,737	56,907
	<u> </u>	<u> </u>
	<u>54,737</u>	<u>56,907</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	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£	£	£	£
Balances:				
ACAs	-	-	525	629
Revaluation gain on investment properties	54,737	56,907	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>54,737</u>	<u>56,907</u>	<u>525</u>	<u>629</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Movements in the year:				2019
				£
Liability at 1 January 2019				56,278
Credit to profit or loss				(2,066)
				<u> </u>
Liability at 31 December 2019				<u>54,212</u>

B Newton Properties Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

13 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

14 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019	2018
	£	£
Acquisition of tangible fixed assets	-	56,212
	<u>-</u>	<u>56,212</u>
	<u><u>-</u></u>	<u><u>56,212</u></u>

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, £8,552 (2018: £8,094) was due to the Scheme in respect of this.

Included within other debtors is a loan due from Dorby Holdings Limited of £409,147 (2018: £405,717). A C Newton and A P McGrath are directors and shareholders of Dorby Holdings Limited. During the year interest of £nil (2018: £11,573) was charged on this loan. Provision has been made against the total debt of £31,905 (2018: £31,905).

Included within other debtors at year end is an amount of £42,344 (2018: £38,842) owed from A C Newton, a director of the company. During the year interest of £1,227 (2018: £928) 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 £83,590 (2018: £149,004). The company has charged management fees of £40,000 (2018: £40,000) to Newton Honda Limited, which is included within other debtors.

