

FRICTION COMPONENTS AND SYSTEMS LIMITED

UNAUDITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2016

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

FRICION COMPONENTS AND SYSTEMS LIMITED

The following reproduces the text of the Chartered accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 8) have been prepared.

CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF FRICION COMPONENTS AND SYSTEMS LIMITED FOR THE YEAR ENDED 30 JUNE 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Friction Components and Systems Limited for the year ended 30 June 2016 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/membership/>

regulations-standards-and-guidance.

This report is made solely to the director of Friction Components and Systems Limited in accordance with the terms of our engagement letter dated 11 September 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Friction Components and Systems Limited and state those matters that we have agreed to state to the director of Friction Components and Systems Limited in this report in accordance with ICAEW Technical release TECH07/16AAF . To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Friction Components and Systems Limited and its director for our work or for this report.

It is your duty to ensure that Friction Components and Systems Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Friction Components and Systems Limited. You consider that Friction Components and Systems Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Friction Components and Systems Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

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30 March 2017

FRICTION COMPONENTS AND SYSTEMS LIMITED
REGISTERED NUMBER: 1569429

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	2		94,788		101,655
Investments	3		90,000		90,000
			<u>184,788</u>		<u>191,655</u>
CURRENT ASSETS					
Stocks		25,200		20,750	
Debtors		178,269		206,462	
Cash at bank and in hand		20,250		18,538	
		<u>223,719</u>		<u>245,750</u>	
CREDITORS: amounts falling due within one year	4	<u>(145,172)</u>		<u>(171,774)</u>	
NET CURRENT ASSETS			<u>78,547</u>		<u>73,976</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>263,335</u>		<u>265,631</u>
CREDITORS: amounts falling due after more than one year			(201,538)		(141,473)
PROVISIONS FOR LIABILITIES					
Deferred tax			<u>(17,062)</u>		<u>(20,331)</u>
NET ASSETS			<u>44,735</u>		<u>103,827</u>
CAPITAL AND RESERVES					
Called up share capital	5		1,600		1,600
Share premium account			16,477		16,477
Capital redemption reserve			500		500
Profit and loss account			<u>26,158</u>		<u>85,250</u>
SHAREHOLDERS' FUNDS			<u>44,735</u>		<u>103,827</u>

FRICTION COMPONENTS AND SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET (continued)
AS AT 30 JUNE 2016

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question 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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2016 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 30 March 2017.

Mr D Devlin
Director

The notes on pages 4 to 8 form part of these financial statements.

FRICION COMPONENTS AND SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	33% straight line
Plant and machinery	-	15% reducing balance
Office equipment	-	25% reducing balance

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

FRICTION COMPONENTS AND SYSTEMS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Pensions

The company makes contribution to a personal pension plan held outside of the company.

FRICTION COMPONENTS AND SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 July 2015	160,718
Additions	12,024
Disposals	(5,092)
At 30 June 2016	<u>167,650</u>
Depreciation	
At 1 July 2015	59,063
Charge for the year	18,674
On disposals	(4,875)
At 30 June 2016	<u>72,862</u>
Net book value	
At 30 June 2016	<u>94,788</u>
At 30 June 2015	<u>101,655</u>

FRICTION COMPONENTS AND SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

3. FIXED ASSET INVESTMENTS

	£
Cost or valuation	
At 1 July 2015 and 30 June 2016	<u>90,000</u>
Net book value	
At 30 June 2016	<u>90,000</u>
At 30 June 2015	<u>90,000</u>
Subsidiary undertakings	

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Newton Friction Limited	Ordinary & Ordinary A	100 %

The aggregate of the share capital and reserves as at 30 June 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Newton Friction Limited	<u>22,409</u>	<u>5,849</u>

4. CREDITORS:

Amounts falling due within one year

Net obligations under finance leases and hire purchase agreements are secured on items to which they relate.

Other loans have been secured on the fixed and floating charge over the company assets.

5. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
1,600 Ordinary A shares of £1 each	<u>1,600</u>	<u>1,600</u>

FRICTION COMPONENTS AND SYSTEMS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

6. RELATED PARTY TRANSACTIONS

During the year sales of £136,880 (2015 - £211,667) were made to Newton Friction Limited, the wholly owned subsidiary. The company also received management charges of £35,000 (2015- £35,000) from the subsidiary during the year.

At the year end a balance of £65,247 (2015 - £79,296) was owing from Newton Friction Limited. A dividend of £20,000 (2015- £50,000) was received from the subsidiary.

During the year dividends of £89,050 (2015 - £94,750) were paid to Mr D Devlin, a director and shareholder.

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.