

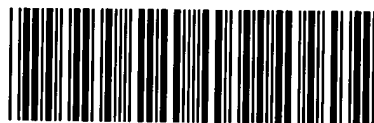
Registration number: SC9943

# A.P. Newall & Company Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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## **A.P. Newall & Company Limited**

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## **A.P. Newall & Company Limited**

### **Company Information**

**Directors** J C F Crawford  
G E Barnes  
S P Jones  
G D Morgan  
M J Richards

**Company secretary** J C F Crawford

**Registered office** Brodies LLP  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

**Auditor** Deloitte LLP  
London  
United Kingdom

## **A.P. Newall & Company Limited**

### **Strategic Report for the Year Ended 31 December 2018**

The Directors present their Strategic Report for the year ended 31 December 2018.

#### **Principal activity**

The Company's principal activity is the General Partner of GKN Investments LP which was established for the purpose of owning and sub-leasing property assets, entering into a sub-licensing of the GKN trademark licence and improving the funding of GKN Group Pension Schemes. There are no anticipated changes to the nature of the Company.

#### **Fair review of the business**

The retained profit for the year ended 31 December 2018 was £30,000 (year ended 31 December 2017: profit of £24,225).

The profit relates to the distribution required under the terms of the Limited Partnership Agreement dated 23 October 2017.

#### **Financial risk management**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### **Principal risks**

##### **Credit risk**

The Company's principal financial assets are other receivables (including amounts due from other Group undertakings).

The Company's credit risk is primarily attributable to its receivables from other Group undertakings. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an expected loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

##### **Liquidity risk**

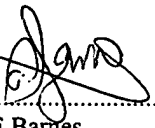
To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.

#### **Going concern**

The Directors have reviewed the Company's forecasts and projections, including consideration of the availability of finance, which show that the Company should be able to continue to operate for the foreseeable future. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Approved by the Board on 29 April 2019 and signed on its behalf by:

  
.....  
G E Barnes  
Director

## **A.P. Newall & Company Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018. An indication of likely future developments in the business of the Company is included in the Strategic Report. Information on financial risk management and going concern are also included in the Strategic Report.

#### **Directors of the Company**

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

J C F Crawford - Company secretary and director (appointed 9 May 2018)

G E Barnes (appointed 9 May 2018)

S P Jones (appointed 1 March 2018)

G D Morgan (appointed 9 May 2018)

M J Richards (appointed 9 May 2018)

W J Hoy (resigned 15 May 2018)

M J Sclater (resigned 19 April 2018)

No Director had a beneficial interest in the share capital of the Company or any of its subsidiaries, except for the fact that each Director held shares and/or options over shares in Melrose Industries PLC, the ultimate parent company and controlling party, and therefore had an indirect beneficial interest in the Company.

#### **Dividends**

The Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2018 (year ended 31 December 2017: £nil).

#### **Directors' liabilities**

The ultimate parent undertaking has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

#### **Disclosure of information to the auditor**

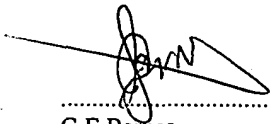
Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 29 April 2019 and signed on its behalf by:

  
.....  
G E Barnes  
Director

## **A.P. Newall & Company Limited**

### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **A.P. Newall & Company Limited**

### **Independent Auditor's Report to the members of A.P. Newall & Company Limited**

#### **Opinion on the financial statements**

In our opinion the financial statements of A.P. Newall & Company Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including the Financial Reporting Standards 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **A.P. Newall & Company Limited**

### **Independent Auditor's Report to the members of A.P. Newall & Company Limited**

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **A.P. Newall & Company Limited**

### **Independent Auditor's Report to the members of A.P. Newall & Company Limited**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in respect of these matters.

##### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lucy Openshaw (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Statutory Auditor

London  
United Kingdom

~~29 April 2019~~

11/5/2019

## A.P. Newall & Company Limited

### Income Statement for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Operating result		-	-
Income from investment in subsidiary		<u>30,000</u>	<u>30,000</u>
Profit before tax		30,000	30,000
Tax on profit	7	<u>-</u>	<u>(5,775)</u>
Profit for the year attributable to owners of the Company		<u><u>30,000</u></u>	<u><u>24,225</u></u>

The above results were derived from continuing operations.

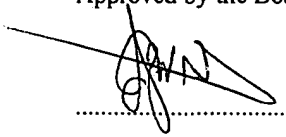
**A.P. Newall & Company Limited**

**(Registration number: SC9943)**

**Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
<b>Non-current assets</b>			
Investments	8	10	10
<b>Current assets</b>			
Trade and other receivables	9	190,815	178,665
<b>Current liabilities</b>			
Trade and other payables	10	-	(17,850)
Net current assets		190,815	160,815
Total assets less current liabilities		190,825	160,825
Net assets		190,825	160,825
<b>Equity</b>			
Share capital	11	10,000	10,000
Retained earnings		180,825	150,825
Equity attributable to owners of the Company		190,825	160,825

Approved by the Board on 29 April 2019 and signed on its behalf by:

  
.....  
G E Barnes  
Director

# **A.P. Newall & Company Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2018**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2017	10,000	126,600	136,600
Profit for the year	-	24,225	24,225
Total comprehensive income	-	24,225	24,225
At 31 December 2017	10,000	150,825	160,825

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2018	10,000	150,825	160,825
Profit for the year	-	30,000	30,000
Total comprehensive income	-	30,000	30,000
At 31 December 2018	10,000	180,825	190,825

## **A.P. Newall & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

The Company is a private company limited by share capital incorporated in The United Kingdom under the Companies Act 2006 and is registered in Scotland. The nature of the Company's operations and its principal activity are set out in the Strategic Report.

The address of its registered office is:

Brodies LLP  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

These financial statements were authorised for issue by the Board on 29 April 2019.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

##### **Basis of preparation**

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

##### **Foreign currencies**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of operation, determined having regard to the currency which mainly influences sales and input costs. The financial statements are presented in "Pounds Sterling" (£), which is also the Company's functional currency.

##### **Summary of disclosure exemptions**

As permitted by FRS 101 and where relevant, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Melrose Industries PLC, which are available to the public and can be obtained from 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The Company's forecasts and projections, including consideration of the availability of finance, show that the Company should be able to continue to operate for the foreseeable future.

## **A.P. Newall & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **2 Accounting policies (continued)**

##### **Exemption from preparing group accounts**

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Melrose Industries PLC.

##### **Adoption of new and revised Standards**

##### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 January 2018.

##### ***IFRS 9: Financial Instruments***

The Company adopted IFRS 9: "Financial Instruments" on 1 January 2018. IFRS 9 replaces IAS 39 and the main impact relates to; a) classification and measurement of financial assets and liabilities; b) impairment of financial assets, and c) hedge accounting. The Company has elected not to restate the comparatives. Following management's review, no reduction in net assets was identified.

The Company has reviewed the classification of its financial instruments and has concluded the following :

- Financial assets previously classified within "loans and receivables" category are classified in the "amortised cost" category.

##### **Tax**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company's liability for current tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

##### **Investments**

Investments in subsidiaries are stated at cost less provision for impairment. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

## **A.P. Newall & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities**

###### ***Classification***

All financial assets are classified as either those which are measured at fair value, through profit or loss, or Other Comprehensive Income, or those measured at amortised cost.

###### ***Recognition and measurement***

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the income statement.

###### **Loans and receivables**

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified and measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

###### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

###### ***Impairment***

Financial assets, other than those at fair value through the income statement, are assessed for indicators of impairment at each balance sheet date. For trade and other receivables the simplified approach permitted under IFRS 9 is applied. The simplified approach requires that at the point of initial recognition the expected credit loss across the life of the receivable must be recognised. As these balances do not contain a significant financing element, the simplified approach relating to expected lifetime losses is applicable under IFRS 9. Cash and cash equivalents are also subject to impairment requirements.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with IFRS, requires the use of estimates, subjective judgement and assumptions that may affect the amounts of assets and liabilities at the balance sheet date and reported profit and earnings for the year. The Directors base these estimates, judgements and assumptions on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The Directors have considered this and concluded no significant judgements have been made or key estimates utilised in respect of these financial statements.

#### **4 Auditor's remuneration**

The fees payable to the Company's auditor for the audit of the financial statements of £1,000 (year ended 31 December 2017: £1,000) were borne by a fellow Group undertaking.

## A.P. Newall & Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 5 Particulars of employees

The Company did not have any employees in the current year or the prior year.

#### 6 Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (year ended 31 December 2017: £nil). The Directors of the Company who served during the year were also Directors of a number of the companies within the Melrose Group and as such remuneration of Directors is borne by a fellow company.

#### 7 Income tax

Tax charged/(credited) in the income statement

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	-	5,775
<b>Total current income tax</b>	-	5,775
<b>Tax charge in the income statement</b>	-	5,775

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017: the same as the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	30,000	30,000
Corporate tax at standard rate	5,700	5,775
Group relief at nil consideration	(5,700)	-
<b>Total tax charge</b>	-	5,775



## **A.P. Newall & Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **8 Investments**

##### **Subsidiaries**

**£**

##### **Cost or valuation**

At 1 January 2018

10

At 31 December 2018

10

##### **Provision for impairment**

##### **Carrying amount**

At 31 December 2018

10

At 31 December 2017

10

Details of the subsidiaries as at 31 December 2018 and 31 December 2017 are as follows:

<b>Name of subsidiary</b>	<b>Principal activity</b>	<b>Country of incorporation and principal place of business</b>
GKN Investments LP	Leasing and licencing Assets	Scotland

All holdings relate to an interest in a limited partnership.

## A.P. Newall & Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 9 Trade and other receivables

	2018 £	2017 £
Amounts owed by Group undertakings	<u>190,815</u>	<u>178,665</u>

#### 10 Trade and other payables - amounts falling due within one year

	2018 £	2017 £
Other payables	<u>-</u>	<u>17,850</u>

#### 11 Share capital

##### Authorised, issued and fully paid shares

	2018		2017	
	Number	£	Number	£
Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

#### 12 Controlling party

The Company's immediate parent company is GKN Industries Limited, a company incorporated in England & Wales.

The ultimate parent company and controlling party is Melrose Industries PLC, a company incorporated in England & Wales.

The parent of the smallest and largest group in which these financial statements are consolidated is Melrose Industries PLC, incorporated in England & Wales.

Copies of the Group financial statements of Melrose Industries PLC are available from its registered address: 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.