

Company Registration No. 02479307 (England and Wales)

BRUSH TECHNOLOGY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

BRUSH TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	RW Renwick G Renwick J Renwick
Secretary	G Renwick
Company number	02479307
Registered office	Unit 3, Throckley Ind Est Ponteland Road Throckley Newcastle upon Tyne Tyne & Wear NE15 9EW
Accountants	Rowlands Rowlands House Portobello Road Birtley Co Durham DH3 2RY

BRUSH TECHNOLOGY LIMITED

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BRUSH TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of industrial brushware.

Directors

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

RW Renwick

G Renwick

J Renwick

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

G Renwick

Secretary

12 June 2017

BRUSH TECHNOLOGY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	4	949,388	1,119,515
Investments	5	-	50
		<u>949,388</u>	<u>1,119,565</u>
Current assets			
Stocks		159,598	213,868
Debtors	6	543,318	417,860
Cash at bank and in hand		549,179	378,152
		<u>1,252,095</u>	<u>1,009,880</u>
Creditors: amounts falling due within one year	7	<u>(228,848)</u>	<u>(314,721)</u>
Net current assets		<u>1,023,247</u>	<u>695,159</u>
Total assets less current liabilities		<u>1,972,635</u>	<u>1,814,724</u>
Creditors: amounts falling due after more than one year	8	(26,700)	(40,640)
Provisions for liabilities		<u>(124,855)</u>	<u>(145,886)</u>
Net assets		<u><u>1,821,080</u></u>	<u><u>1,628,198</u></u>
Capital and reserves			
Called up share capital	11	5,000	5,000
Profit and loss reserves		<u>1,816,080</u>	<u>1,623,198</u>
Total equity		<u><u>1,821,080</u></u>	<u><u>1,628,198</u></u>

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

BRUSH TECHNOLOGY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

For the financial year ended 31 December 2016 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.

The financial statements were approved by the board of directors and authorised for issue on 12 June 2017 and are signed on its behalf by:

RW Renwick
Director

Company Registration No. 02479307

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Brush Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3, Throckley Ind Est, Ponteland Road, Throckley, Newcastle upon Tyne, Tyne & Wear, NE15 9EW.

1.1 Accounting convention

These financial statements have been prepared in accordance with 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

These financial statements for the year ended 31 December 2016 are the first financial statements of Brush Technology Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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:

Moulding tools	33% Straight line
Plant and machinery	10% and 20% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 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.

1.11 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2015 - 14).

3 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	184,054	92,289
Dividends paid to directors	218,000	200,000
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Tangible fixed assets

	Moulding tools	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2016	349,456	3,459,033	121,550	151,620	4,081,659
Additions	-	45,510	-	46,298	91,808
Disposals	-	-	-	(37,348)	(37,348)
At 31 December 2016	349,456	3,504,543	121,550	160,570	4,136,119
Depreciation and impairment					
At 1 January 2016	345,691	2,469,410	83,655	63,388	2,962,144
Depreciation charged in the year	1,880	207,027	7,579	29,693	246,179
Eliminated in respect of disposals	-	-	-	(21,592)	(21,592)
At 31 December 2016	347,571	2,676,437	91,234	71,489	3,186,731
Carrying amount					
At 31 December 2016	1,885	828,106	30,316	89,081	949,388
At 31 December 2015	3,765	989,623	37,895	88,232	1,119,515

5 Fixed asset investments

	2016 £	2015 £
Investments	-	50

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5	Fixed asset investments	(Continued)	
	Movements in fixed asset investments		Shares in group undertakings and participating interests
			£
	Cost or valuation		
	At 1 January 2016		50
	Disposals		(50)
			<hr/>
	At 31 December 2016		-
			<hr/>
	Carrying amount		
	At 31 December 2016		-
			<hr/>
	At 31 December 2015		50
			<hr/>
6	Debtors	2016	2015
		£	£
	Amounts falling due within one year:		
	Trade debtors	512,791	396,345
	Other debtors	5,280	220
	Prepayments and accrued income	25,247	21,295
		<hr/>	<hr/>
		543,318	417,860
		<hr/>	<hr/>
7	Creditors: amounts falling due within one year	2016	2015
		£	£
	Obligations under finance leases	5,752	79,292
	Trade creditors	58,846	116,859
	Corporation tax	19,266	-
	Other taxation and social security	46,223	519
	Other creditors	91,773	109,419
	Accruals and deferred income	6,988	8,632
		<hr/>	<hr/>
		228,848	314,721
		<hr/>	<hr/>

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases		-	5,040
Government grants	10	26,700	35,600
		<u>26,700</u>	<u>40,640</u>

9 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	124,855	145,886
	<u>124,855</u>	<u>145,886</u>

10 Government grants

	2016 £	2015 £
Arising from government grants	26,700	35,600
	<u>26,700</u>	<u>35,600</u>

Deferred income is included in the financial statements as follows:

	2016 £	2015 £
Non-current liabilities	26,700	35,600
	<u>26,700</u>	<u>35,600</u>

Government grants amounting to £8,900 (2015:£9,400) have been released to the profit and loss account in the year.

11 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

BRUSH TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
In over five years	153,780	148,200

13 Related party transactions

Transactions with related parties

No guarantees have been given or received.

During the year the company paid rent totalling £149,133 (2015:£159,412) to BTL Directors Retirement and Death Benefit Scheme, the trustees and beneficiaries of the scheme are also directors and shareholders of the company.

The company had a 50% interest in Northern Municipal Spares Limited, Sales to this company during the year were £478,270 (2015: £377,908), management fees to the company were £36,000 (2015: £36,000) and purchases from the company £87,164 (2015: £85,233). At the year end the company owed Brush Technology Limited £157,767 (2015: £53,433) which is included in trade debtors and was owed £3,785 (2015: £14,602) which is included in trade creditors. The 50% interest was disposed of in the year.

The company sold the 50% interest in Northern Municipal Spares Limited to Mr RW Renwick and Mrs G Renwick for £27,636 in the year.

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.