

Company Registration No. 02479307 (England and Wales)

**BRUSH TECHNOLOGY LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# BRUSH TECHNOLOGY LIMITED

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# **BRUSH TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors present their annual report and financial statements for the year ended 31 December 2021.

### **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

### **Small companies exemption**

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**

1 June 2022

# BRUSH TECHNOLOGY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

|                                                                | Notes | 2021<br>£          | £                | 2020<br>£        | £                |
|----------------------------------------------------------------|-------|--------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                            |       |                    |                  |                  |                  |
| Tangible assets                                                | 4     |                    | 920,127          |                  | 646,922          |
| Investments                                                    | 5     |                    | 2,244,168        |                  | 2,015,488        |
|                                                                |       |                    | <u>3,164,295</u> |                  | <u>2,662,410</u> |
| <b>Current assets</b>                                          |       |                    |                  |                  |                  |
| Stocks                                                         |       | 424,842            |                  | 209,444          |                  |
| Debtors                                                        | 6     | 515,322            |                  | 410,229          |                  |
| Cash at bank and in hand                                       |       | 966,801            |                  | 946,077          |                  |
|                                                                |       | <u>1,906,965</u>   |                  | <u>1,565,750</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 7     | <u>(1,009,470)</u> |                  | <u>(459,154)</u> |                  |
| <b>Net current assets</b>                                      |       |                    | 897,495          |                  | 1,106,596        |
| <b>Total assets less current liabilities</b>                   |       |                    | 4,061,790        |                  | 3,769,006        |
| <b>Creditors: amounts falling due after more than one year</b> | 8     |                    | (30,333)         |                  | (86,333)         |
| <b>Provisions for liabilities</b>                              |       |                    | (123,792)        |                  | (69,115)         |
| <b>Net assets</b>                                              |       |                    | <u>3,907,665</u> |                  | <u>3,613,558</u> |
| <b>Capital and reserves</b>                                    |       |                    |                  |                  |                  |
| Called up share capital                                        | 9     |                    | 5,000            |                  | 5,000            |
| Profit and loss reserves                                       |       |                    | 3,902,665        |                  | 3,608,558        |
| <b>Total equity</b>                                            |       |                    | <u>3,907,665</u> |                  | <u>3,613,558</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 2021 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 Companies Act 2006 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.

## **BRUSH TECHNOLOGY LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2021***

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The financial statements were approved by the board of directors and authorised for issue on 1 June 2022 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 2021

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### 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 And Wear, United Kingdom. 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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 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 2021

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### 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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

#### 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.

#### 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# BRUSH TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 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 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 2021

### 1 Accounting policies

(Continued)

#### 1.12 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.13 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 in the period are included in profit or loss.

### 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.

### 3 Employees

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

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | 15             | 17             |

# BRUSH TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Tangible fixed assets

|                                    | Moulding tools | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total     |
|------------------------------------|----------------|---------------------|--------------------------------|----------------|-----------|
|                                    | £              | £                   | £                              | £              | £         |
| <b>Cost</b>                        |                |                     |                                |                |           |
| At 1 January 2021                  | 349,457        | 3,639,302           | 145,731                        | 256,252        | 4,390,742 |
| Additions                          | -              | 344,483             | 80,482                         | 132,980        | 557,945   |
| Disposals                          | -              | -                   | -                              | (142,515)      | (142,515) |
| At 31 December 2021                | 349,457        | 3,983,785           | 226,213                        | 246,717        | 4,806,172 |
| <b>Depreciation and impairment</b> |                |                     |                                |                |           |
| At 1 January 2021                  | 349,457        | 3,168,547           | 114,296                        | 111,520        | 3,743,820 |
| Depreciation charged in the year   | -              | 122,857             | 10,311                         | 40,080         | 173,248   |
| Eliminated in respect of disposals | -              | -                   | -                              | (31,023)       | (31,023)  |
| At 31 December 2021                | 349,457        | 3,291,404           | 124,607                        | 120,577        | 3,886,045 |
| <b>Carrying amount</b>             |                |                     |                                |                |           |
| At 31 December 2021                | -              | 692,381             | 101,606                        | 126,140        | 920,127   |
| At 31 December 2020                | -              | 470,755             | 31,435                         | 144,732        | 646,922   |

### 5 Fixed asset investments

|                                                          | 2021<br>£ | 2020<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | 2,244,168 | 2,015,488 |

#### Movements in fixed asset investments

|                          | Shares in subsidiaries<br>£ |
|--------------------------|-----------------------------|
| <b>Cost or valuation</b> |                             |
| At 1 January 2021        | 2,015,488                   |
| Additions                | 228,680                     |
| At 31 December 2021      | 2,244,168                   |
| <b>Carrying amount</b>   |                             |
| At 31 December 2021      | 2,244,168                   |
| At 31 December 2020      | 2,015,488                   |

# BRUSH TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

|                                             |                |                |
|---------------------------------------------|----------------|----------------|
| <b>6 Debtors</b>                            |                |                |
|                                             | <b>2021</b>    | <b>2020</b>    |
|                                             | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year:</b> |                |                |
| Trade debtors                               | 327,664        | 262,090        |
| Amounts owed by group undertakings          | 167,792        | 131,268        |
| Prepayments and accrued income              | 19,866         | 16,871         |
|                                             | <u>515,322</u> | <u>410,229</u> |

|                                                         |                  |                |
|---------------------------------------------------------|------------------|----------------|
| <b>7 Creditors: amounts falling due within one year</b> |                  |                |
|                                                         | <b>2021</b>      | <b>2020</b>    |
|                                                         | <b>£</b>         | <b>£</b>       |
| Obligations under finance leases                        | 28,000           | -              |
| Other borrowings                                        | -                | 50,000         |
| Trade creditors                                         | 260,743          | 105,233        |
| Corporation tax                                         | 30,631           | 51,235         |
| Other taxation and social security                      | 63,187           | 64,395         |
| Other creditors                                         | 625,509          | 187,616        |
| Accruals and deferred income                            | 1,400            | 675            |
|                                                         | <u>1,009,470</u> | <u>459,154</u> |

The amounts within obligations under finance leases secured on the assets concerned.

|                                                                  |               |               |
|------------------------------------------------------------------|---------------|---------------|
| <b>8 Creditors: amounts falling due after more than one year</b> |               |               |
|                                                                  | <b>2021</b>   | <b>2020</b>   |
|                                                                  | <b>£</b>      | <b>£</b>      |
|                                                                  | <b>Notes</b>  |               |
| Obligations under finance leases                                 | 30,333        | 86,333        |
|                                                                  | <u>30,333</u> | <u>86,333</u> |

The amounts within obligations under finance leases secured on the assets concerned.

All sums are payable within 5 years by instalments.

|                                  |               |               |              |              |
|----------------------------------|---------------|---------------|--------------|--------------|
| <b>9 Called up share capital</b> |               |               |              |              |
|                                  | <b>2021</b>   | <b>2020</b>   | <b>2021</b>  | <b>2020</b>  |
|                                  | <b>Number</b> | <b>Number</b> | <b>£</b>     | <b>£</b>     |
| <b>Ordinary share capital</b>    |               |               |              |              |
| <b>Issued and fully paid</b>     |               |               |              |              |
| ordinary shares of £1 each       | 5,000         | 5,000         | 5,000        | 5,000        |
|                                  | <u>5,000</u>  | <u>5,000</u>  | <u>5,000</u> | <u>5,000</u> |

# BRUSH TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Operating lease commitments

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

| 2021    | 2020    |
|---------|---------|
| £       | £       |
| 375,000 | 307,600 |

### 11 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

#### Other information

During the year the company paid rent totalling £180,000 (2020:£153,800) 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 has entered into transactions with N A Brown Limited, a subsidiary of Brush Technology Limited. Sales to this company during the year were £729,857 (2020: £593,994), consultancy fees were received from the company of £162,327 (2020: £91,667) and purchases made from the company £202,504 (2020: £181,344). The amounts owed to Brush Technology Limited at the year end was £111,966 (2020: £69,348)

The company has entered into transactions with Northern Municipal Spares Limited, a subsidiary of Brush Technology Limited. Sales to this company during the year were £271,294 (2020: £260,278), patent fees were received from the company of £36,000 (2020 £36,000) and purchases made from the company £19,721 (2020: £10,941). The amounts owed to Brush Technology Limited at the year end was £45,189 (2020: £51,282)

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