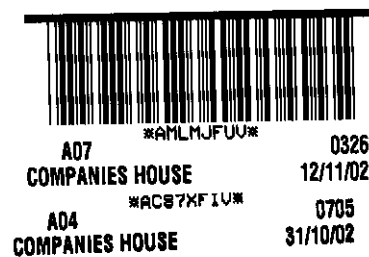


Brush Technology Limited
Abbreviated Accounts
for the year ended 31 December 2001



Registration Number 2479307

David Nairn & Co
Chartered Accountants

Brush Technology Limited

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**Auditors' Report to Brush Technology Limited
under Section 247B of the Companies Act 1985**

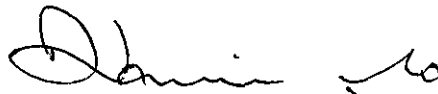
We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of Brush Technology Limited for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.



**David Nairn & Co
Chartered Accountants and
Registered Auditor**

**8 Red Rose Terrace
Chester le Street
Co Durham
DH3 3LN**

21.10.02

Brush Technology Limited

**Abbreviated Balance Sheet
as at 31 December 2001**

		2001		2000	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		494,596		270,997
Current assets					
Stocks	4	170,327		168,029	
Debtors		145,094		151,741	
Cash at bank and in hand		6,749		(840)	
		<u>322,170</u>		<u>318,930</u>	
Creditors: amounts falling due within one year		<u>(225,836)</u>		<u>(255,696)</u>	
Net current assets			<u>96,334</u>		<u>63,234</u>
Total assets less current liabilities			590,930		334,231
Creditors: amounts falling due after more than one year			(236,624)		(78,044)
Provisions for liabilities and charges			<u>(33,555)</u>		<u>(17,056)</u>
Net assets			<u>320,751</u>		<u>239,131</u>
Capital and reserves					
Called up share capital	6		5,000		5,000
Profit and loss account			315,751		234,131
Shareholders' funds	7		<u>320,751</u>		<u>239,131</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities (effective 2000)

The financial statements were approved by the Board on 18-10-02 and signed on its behalf by



Richard Renwick
Director

The notes on pages 3 to 6 form an integral part of these financial statements.

Brush Technology Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2001

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10 and 20% Reducing balance
Fixtures, fittings and equipment	-	20% Reducing balance
Moulding Tools	-	33% Straight line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year and amounted to £24509 (2000 £24509)

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Brush Technology Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2001

..... continued

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

2001	2000
10	11
<u>10</u>	<u>11</u>

Employment costs

	2001 £	2000 £
Wages and salaries	243,802	277,480
Social security costs	18,627	26,776
Other pension costs	24,509	24,509
	<u>286,938</u>	<u>328,765</u>

Brush Technology Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2001

..... continued

3. Fixed assets	Tangible fixed assets £
Cost	
At 31 December 2000	620,960
Additions	312,564
Disposals	(13,554)
At 31 December 2001	919,970
Depreciation	
At 31 December 2000	349,964
On disposals	(9,500)
Charge for year	84,910
At 31 December 2001	425,374
Net book values	
At 31 December 2001	494,596
At 31 December 2000	270,996

4. Stocks	2001 £	2000 £
Stocks	170,327	168,029

5. Deferred taxation

Deferred tax is analysed over the following timing differences:

	2001 £	2000 £
Accelerated capital allowances	33,555	17,056

Brush Technology Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 2001**

..... continued

6. Share capital	2001	2000
	£	£
Authorised		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
7. Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the year	81,620	46,407
Opening shareholders' funds	<u>239,131</u>	<u>192,724</u>
	<u>320,751</u>	<u>239,131</u>
8. Capital commitments		
They are no capital commitments for this year (2000 - £231,452)		