

Company Registration No. 06455507

BRAND-REX HOLDINGS LIMITED

Annual Report and Financial Statements

for the year ended 31 December 2020



BRAND-REX HOLDINGS LIMITED

Annual report and financial statements for the year ended 31 December 2020

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BRAND-REX HOLDINGS LIMITED

Strategic report for the year ended 31 December 2020

The directors in preparing this Strategic Report for the year ended 31 December 2020, have complied with Section 414C of the Companies Act 2006.

Business Review

The results of the company for the year, as set out on page 10, show a profit for the financial year of £4,206,385 (2019: £1,592,855). The total shareholders' funds of the company totalled £11,954,730 (2019: £11,948,345).

Leviton Manufacturing UK Limited is the main trading subsidiary of the Brand-Rex Holdings Group and is 100% owned by Brand-Rex Holdings Limited. Accordingly, we refer to 'the Group' when discussing Leviton Manufacturing UK Limited below. The company's ultimate parent is US based Leviton Manufacturing Co. Inc.

The principal activity of the Group comprises the design, manufacture and provision of high speed copper and fibre based cable and connectivity systems used in the interconnection of IT networking and data communication infrastructure.

Headquartered in Scotland, the Group has manufacturing, distribution and research and development facilities in Glenrothes, Fife and in Leigh, Lancashire. Its sales and marketing effort is directed through a number of dedicated international offices. As part of Leviton's Network Solutions division the Group holds a leading global market position in the manufacture of a complete range of copper and fibre cable and connectivity solutions. The Group's High Performance Cabling business produces control, communications, power and instrumentation cables for diverse industrial applications and niche markets including automotive, rail infrastructure and defence.

During 2020, the Group continued to invest in business process reliability and customer service; information and technology tools; research and development; and manufacturing efficiency to support its future growth strategies. During the year, further higher fire classification cables were introduced to complete the broad range of cables available that comply with the Construction Products Regulation (CPR) for cables that were introduced in Europe during 2016.

Data Communications

The Group saw sales decline in 2020, principally throughout Europe, driven by the COVID-19 pandemic. The group continues its approach to focus on large Data Centre projects and to offer a differentiated product and service model where the company's expanded product portfolio and high customer service focus has historically created a competitive edge.

The Group remains ambitious for continued growth over the medium to long term but expects short term market conditions for 2021 to continue to be challenging given the Global COVID-19 pandemic.

High Performance Cables

The High Performance Cables business also saw a decline in sales during 2020, principally as a result of falling demand from existing customers due to the COVID-19 pandemic. Plans are in place for this business to grow in the coming years and contract discussions are already well underway with new business targets in the automotive, marine and industrial markets. The company's expansive materials knowhow and broad processing capability makes it a very attractive partner for those seeking cables for high temperature or chemical resistant applications.

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Strategic report for the year ended 31 December 2020

Principal Risks and Uncertainties

The Group has carried out a risk assessment across all areas of the business and is addressing identified risks depending on the level of financial impact and likelihood of occurrence. Risks are:

- Customer non-payment, mitigated through credit insurance;
- Loss of facilities due to weather, fire or acts of God, mitigated through insurance and a tested Business Continuity Plan;
- Employee or visitor accident, mitigated through risk assessment, training, equipment guarding and independent audit;
- Material supply issues, mitigated through secondary sourcing, vendor rating, vendor audits and performance monitoring;
- Volatility in the price of copper or movements in foreign exchange rate
- Product performance/quality of product, mitigated through in-depth testing procedures;
- Economy, partly mitigated by spread of markets, both geographically and by segment;
- Technological change, mitigated by attendance on structured networking standard committees and investment in research and development;
- Competitor action, mitigated by a dynamic product management, marketing and product development; and
- Unethical behaviour including bribery, mitigated by a comprehensive management system.

The Global COVID-19 pandemic will likely have an impact on our full year 2021 results. We continue to be flexible in our approach to continuing operations, keeping our employees safe, managing our factories and satisfying customer demand however the ultimate impact remains largely unknown and depends upon Government guidance and the speed of the recovery of our global economies.

Financial Risk Management Objectives and Policies

The Group's activities expose it to a number of financial risks including cash flow risk, credit risk, liquidity risk and foreign exchange risk. The Group has procedures in place to mitigate and manage these risks.

Product Innovation

The Group aims to foster a culture of innovation within the business, the Group has a number of differentiated products and supports an industry focussed patent and registered design portfolio.

Key Performance Indicators (KPI)

The Group's key financial and other performance indicators are as follows:

	2020	2019
Turnover	£67.527m	£90.724m
EBITDA	£4.079m	£6.749m
Debtor Days	72	58
Inventory Days	79	73

EBITDA is defined as Earnings Before Interest, Taxation, Depreciation and Amortisation and is before exceptional items.

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Strategic report for the year ended 31 December 2020

s172 Statement

The Board of Directors of Leviton Manufacturing UK Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the companies Act 2006 in the decisions taken during the year ended 31st December 2020.

Our long-term goal is to continue to design, manufacture and distribute high-speed copper and fibre-based cable and connectivity systems to our customers.

The Board undertakes an in-depth review of the Company's strategy each year, which includes the development of financial budgets, resource planning, and investment decisions, of which the Board takes into consideration the long-term consequences of those decisions on the Company's stakeholders.

Our employees are fundamental to the attainment of our goal, and we aim to be a responsible employer in our approach to the pay and benefits our employees receive. Our strategy prioritizes organic growth through the development and maintenance of strong client relationships. We also value our suppliers and our existing relationships with those suppliers. We take into consideration the impact of the Company's operations on the community and environment and our wider societal responsibilities. Our intention is to behave responsibly and ensure that management operates the business in a responsible manner and in accordance with our high standards of business conduct.

Quality Accreditations

The Group continued to be compliant to the latest international revision of ISO9001:2015 via external quality assessment audits in 2020 at both its Glenrothes and Leigh manufacturing facilities. The Leigh site also continued to be successfully compliant to the latest international versions of the AS 9100:2016 (Aerospace) and TS16949:2016 (Automotive) standards.

These quality management standards continue to offer the business powerful business tools to fine tune performance and manage business risks to operate in an efficient and sustainable way, ensuring the business can demonstrate a consistent high level of quality service to customers year on year.

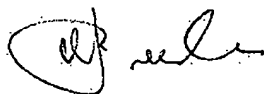
Environmental, Health and Safety

Health & Safety performance continued to improve with the company achieving zero lost time accidents in 2020. Health, safety and welfare remain one of the top priorities for the business with several high level mental health strategies implemented during 2020 to help employees through the COVID-19 pandemic.

The Group continued to be compliant to ISO14001:2015 environmental management system via external audit and continued to be accredited to the ISO50001 energy management standard at both manufacturing sites. In 2020 all external audits were completed with no non-conformances identified.

The business continued to promote its commitment to being carbon neutral across all operations and our streamline energy and carbon reporting is discussed further within the directors' report.

On behalf of the board



Ian G Wilkie
Managing Director

6th September 2021

BRAND-REX HOLDINGS LIMITED

Directors' report for the year ended 31 December 2020

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2020. The sections on Principal Activities, Business Review, Emerging Technology Trends, Key Performance Indicators, Principal Risks and Uncertainties, Financial Risk Management Objectives and Policies, Product Innovation, Quality Accreditations and Environmental, Health and Safety are included in the Strategic report on pages 1 to 3.

Results and dividends

The profit of the company for year amounted to £4,206,385 (2019: £1,592,855).

The directors recommend payment of £4,200,000 (2019: £1,585,700) as a dividend in the current year.

Political Donations

There were no political donations paid in the current year. (2019: Nil)

Going Concern

The Group is funded by a combination of operating cash flow and by intergroup loans. After making enquiries, the directors have a reasonable expectation that the company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The business has continued to be flexible in its approach to mitigating the impacts of the Global COVID-19 pandemic from installing heat temperature scanners, implementing social distancing measures and home working to changing working practises in our factories to keep our employees and manufacturing sites safe. We have utilised global stocks, sourced alternative supplies and worked collectively with our stakeholders to continue to meet customer demand and maintain financial control.

Events since the balance sheet date

There have been no significant events since the balance sheet date.

Directors

The directors who held office during the year and to the date of this report are as follows:

D Hendler	
I G Wilkie	
D Larizadeh	resigned 23rd June 2020
M Baydarian	resigned 1st January 2021
L Guilherme	appointed 1st January 2021

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Directors' report for the year ended 31 December 2020

Streamlined Energy & Carbon Reporting

Leviton Manufacturing UK Limited manage energy usage through certified BS EN ISO14001 Environmental Management Systems and BS EN ISO50001: Energy Management Systems covering all scopes of activities. Both systems are fully supported by Senior Management who actively participate in the operation of the systems. Leviton Manufacturing UK Limited remains a Carbon Neutral company by having both the annual Scope 1 and Scope 2 emissions independently verified and the resulting CO2e off-set using Government accredited programs. In 2020 the measured CO2e was a total of 2,473 tonnes (2019: 3,163 tonnes) which was split between electricity, gas and vehicle fuel use. Usage was provided by third party suppliers and verified by management.

Total energy use in 2020 was 7,043,88kWh which was over 50% less than 2019. During the downturn caused by the pandemic the business maximised energy savings by re-organising production to reduce the operational times of the factory. The LED lighting change was completed and there was considerable investment in a new, more energy efficient, compressed air system. The business also invested in localised temperature control cells for certain materials and continued with the programme to exchange older, less efficient, HVAC systems with new modern systems.

Leviton Manufacturing UK Limited employs the services of a full-time, qualified, Environmental Manager who has the responsibility for monitoring environmental impacts, including energy. The Environmental Manager also controls the utilities and facilities budgets ensuring that they have complete visibility of any spends and trends within the business.

Management compares annual usage utilizing an intensity ratio. Due to the varying nature of the products created in manufacturing the intensity ratio has been set at the percent of energy cost against manufacturing cost. In 2020 the intensity ratio was 2.5% (2019: 2.9%) which was impacted due to a fall in production demand. Through our ISO50001 system an ambitious 3-year target remains in place to reduce this to 2.07%.

Independent Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

PricewaterhouseCoopers LLP indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board by:



Ian G Wilkie
Managing Director

6th September 2021

BRAND-REX HOLDINGS LIMITED

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

Independent auditor's report to the members of Brand-Rex Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Brand-Rex Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: balance sheet as at 31 December 2020; profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of non standard journals. Audit procedures performed by the engagement team included:

- enquiries with management around actual or potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- understanding and evaluating the design and implementation of management's controls designed to prevent and detect irregularities;
- challenging assumptions and judgements made by management; and
- identifying and testing journal entries which may be indicative of fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
6th September 2021

BRAND-REX HOLDINGS LIMITED

Profit and loss account for the year ended 31 December 2020

		Continuing operations	
	Note	2020	2019
		£	£
Administrative expenses		-	-
Operating Profit		-	-
Income from shares in group undertakings	3	4,200,000	1,585,700
Interest Payable and similar expenses		-	-
Profit before taxation	4	4,200,000	1,585,700
Tax on profit	6	6,385	7,155
Profit for the financial year		<u>4,206,385</u>	<u>1,592,855</u>

There are no recognised gains or losses in the current or prior year other than those included in the profit and loss account. Accordingly no separate Statement of comprehensive income has been included.

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Balance sheet As at 31 December 2020

	Note	2020 £	2019 £
Fixed Assets			
Investments	7	16,931,109	16,931,109
Creditors: amounts falling due within one year	8	<u>(4,976,379)</u>	<u>(4,982,764)</u>
Net current liabilities		<u>(4,976,379)</u>	<u>(4,982,764)</u>
Net assets		<u>11,954,730</u>	<u>11,948,345</u>
Capital and reserves			
Called up share capital	9	976,600	976,600
Share premium account		259,500	259,500
Retained Earnings		<u>10,718,630</u>	<u>10,712,245</u>
Total Shareholders' funds		<u>11,954,730</u>	<u>11,948,345</u>

The financial statements of Brand Rex Holdings Limited (registered number 06455507) as laid out on page 10 to 18 were approved by the board of directors and authorised for issue on

6th September 2021.

Signed on behalf of the Board of Directors By:



Ian G Wilkie
Managing Director

BRAND-REX HOLDINGS LIMITED

Statement of changes in equity For the year ended 31 December 2020

	Called-up share capital £	Share premium account £	Retained Earnings £	Total Shareholders' Funds £
At 1 January 2019	976,600	259,500	10,705,090	11,941,190
Profit for the financial year	-	-	1,592,855	1,592,855
Dividend paid on equity shares (note 12)	-	-	(1,585,700)	(1,585,700)
At 31 December 2019	976,600	259,500	10,712,245	11,948,345
Profit for the financial year	-	-	4,206,385	4,206,385
Total comprehensive income	-	-	4,206,385	4,206,385
Dividend paid on equity shares (note 12)	-	-	(4,200,000)	(4,200,000)
At 31 December 2020	976,600	259,500	10,718,630	11,954,730

BRAND-REX HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have all been applied consistently throughout the current and preceding year.

(a) General information and basis of accounting

Brand-Rex Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The company registered office address is Cannon Place, 78 Cannon Street, London, EC4N 6AF. The principal place of business is Cable Road, Viewfield Industrial Estate, Glenrothes, Fife, KY6 2RS. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 1 to 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Brand-Rex Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company and the Group operates.

Brand-Rex Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions, financial instruments and remuneration of key management personnel.

(b) Consolidation

The group financial statements of JCC Holdings Limited consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

The company is included in the consolidated financial statements of JCC Holdings Limited, which may be obtained from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF. Consequently the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

(c) Going concern

The Company is funded by a combination of operating cash flow and by intergroup loans. After making enquiries, the directors have a reasonable expectation that the company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(d) Investments

In the company balance sheet, investments are measured at cost less provision for any impairment.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. They are classified according to the substance of the contractual arrangements.

• Financial assets and liabilities

All financial assets and financial liabilities are initially measured in accordance with section 11 and 12 of FRS 102 at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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Notes to the financial statements for the year ended 31 December 2020

1. Accounting policies (continued)

(f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(g) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

2. Critical accounting judgements and key sources of estimation uncertainty

In the view of the directors there are no critical accounting judgements or key sources of estimation uncertainty in the company's financial statements.

3. Income from shares in group undertakings

An analysis of the Company's dividends received is as follows:

	2020	2019
	£	£
Leviton Manufacturing UK Limited	4,200,000	1,585,700

BRAND-REX HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

4. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Fees payable to the Company's auditors and its associates for other services to the Group:		
The audit of the Company's subsidiaries	72,500	60,480
Total audit fees	72,500	60,480
Total non-audit fees	-	-
Total fees	72,500	60,480

All fees noted above were due to and paid by other group companies.

5. Directors' remuneration and transactions

	2020	2019
	£	£
Directors' remuneration		
Emoluments	-	-
Company contributions to money purchase pension schemes	-	-
	-	-

The director received remuneration from Leviton Manufacturing UK Limited, the trading company. Details of remuneration are disclosed in the relevant financial statements for that entity. It is not considered practicable to allocate this between services provided to that company and services provided in their capacity as directors to Brand-Rex Holdings Limited.

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Notes to the financial statements for the year ended 31 December 2020

6. Tax on profit

The tax credit comprises:

	2020	2019
	£	£
UK corporation tax	(6,385)	(7,155)
Total tax on profit	(6,385)	(7,155)

The tax rate used for tax on profit is the effective standard rate for UK corporation tax for the year ended 31 December 2020 of 19.00% (2019: 19.00%).

Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated. The tax rate change was enacted in Finance Act 2020 on 22 July 2020. Deferred tax assets and liabilities have been measured using the enacted tax rate as at the balance sheet date.

Deferred tax

At 31 December 2020 the group had no additional unrecognised deferred tax asset (2019: Nil).

There is no expiry date on timing differences, unused tax losses or tax credits.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax, is as follows:

	2020	2019
	£	£
Company profit before tax	4,200,000	1,585,700
Tax on Company profit before taxation at standard UK corporation tax rate of 19.00% (2019: 19.00%)	798,000	301,283
Effects of:		
Non deductible expenses	-	-
Income not taxable for tax purposes	(798,000)	(301,283)
Transfer pricing adjustments	(6,385)	(7,155)
Company total tax credit for the year	(6,385)	(7,155)

BRAND-REX HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

7. Investments

Company Cost and Net Book Value	Subsidiary undertakings £
At 31 December 2019	16,931,109
At 31 December 2020	16,931,109

The parent Company and the Group have investments in the following subsidiary undertakings.

	Proportion of voting rights & ordinary share capital held	Principal activity	Country of incorporation & operation	Registered Office Address
Leviton Manufacturing UK Limited #	100%	Manufacture and sales	United Kingdom	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Leviton Manufacturing EU Limited	100%	Sales Agent	Ireland	Floor 0, 1WML, 1 Windmill Lane, Dublin 2, D02 F206
Leviton Manufacturing UK Services Limited	100%	Sales agent	United Kingdom	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Leviton Manufacturing Spain S.L	100%	Sales agent	Spain	Avda. Puente Cultural 10, Edif. A, Pt 1, Puerta 1, 28702 San Sebastian de los Reyes, Madrid
Leviton Manufacturing Italia S.r.l	100%	Sales agent	Italy	Via Rossetti n.9, 20145 Milan
Leviton Manufacturing GmbH	100%	Sales agent	Germany	Storkower Strasse 115, D-10407 Berlin

Held directly by Brand-Rex Holdings Limited

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	4,976,379	4,982,764
	<u>4,976,379</u>	<u>4,982,764</u>

BRAND-REX HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

9. Called-up share capital and reserves

	2020	2019
	£	£
Called up, allotted and fully paid		
1,953,200 (2019: 1,953,200) ordinary shares of £0.50 each	976,600	976,600
	<u>976,600</u>	<u>976,600</u>

Reserves

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings represent the cumulative profits or losses, net of dividends paid and other adjustments.

10. Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard 102 section 33 with regard to non-disclosure of transactions between wholly owned group companies.

11. Dividends Paid

An analysis of the Company's dividends paid are as follows:

	2020	2019
	£	£
Dividend of 215 pence per ordinary share (2019: 81 pence per ordinary share)	4,200,000	1,585,700
	<u>4,200,000</u>	<u>1,585,700</u>

12. Controlling party

The parent company JCC Holdings Limited is the largest group preparing consolidated financial statements. A copy of these financial statements may be obtained from the registered office at Cannon Place, 78 Cannon Street, London EC4N 6AF. The largest group and ultimate parent company in which the results of the company are consolidated is that headed by Leviton Manufacturing Co., Inc, however these financial statements are not publicly available.