

COMPANY REGISTRATION NUMBER SC009656

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

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**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

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**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

J S Denholm  
G A Hanson

**Secretary**

G A Hanson

**Registered office**

18 Woodside Crescent  
Glasgow  
G3 7UL

**Independent auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Glasgow  
United Kingdom

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors submit their report and the financial statements of the company for the year ended 31 December 2016.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. In addition, as a result of taking this exemption, no Strategic Report has been prepared.

### Principal activities

The company did not trade in the year however it continues to earn interest on a loan due from a group undertaking.

### Results and dividends

The profit for the year after taxation was £29,980 (2015 - £37,126). The company has declared and paid a dividend of £40,000 during the year (2015 - £250,000).

### Directors

The directors who served the company during the year and to the date of this report are listed on page 1.

### Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

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

The directors, having considered the company's forecasts, cash resources, and group facilities, have concluded that the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each of the directors have taken such steps as they should have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board on 10 May 2017



G A HANSON  
Company Secretary

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of Denholm Brown Brothers & Company Limited, company registration number SC009656, for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DENHOLM BROWN BROTHERS & COMPANY LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Colin Gibson CA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Glasgow  
United Kingdom

12 May 2017

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Administrative expenses		(4,330)	(4,784)
OPERATING LOSS	2	(4,330)	(4,784)
Interest receivable	4	41,784	51,205
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,454	46,421
Tax on profit on ordinary activities	5	(7,474)	(9,295)
PROFIT FOR THE FINANCIAL YEAR		<u>29,980</u>	<u>37,126</u>

All of the activities of the company are classed as continuing.

**Statement of other comprehensive income**

There are no items of other comprehensive income other than the profit of £29,980 attributable to the shareholders for the year ended 31 December 2016 (2015 - profit of £37,126). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 8 to 10 form part of these financial statements.

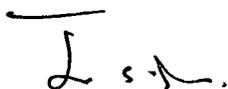
**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**BALANCE SHEET**

**31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>CURRENT ASSETS</b>			
Debtors due within one year	7	<b>1,042,024</b>	1,054,398
Cash at bank		<b>161</b>	170
		<hr/>	<hr/>
		<b>1,042,185</b>	1,054,568
<b>CREDITORS: Amounts falling due within one year</b>	8	<b>(11,812)</b>	(14,175)
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>1,030,373</b>	1,040,393
		<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	<b>1,021,722</b>	1,021,722
Profit and loss account		<b>8,651</b>	18,671
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>		<b>1,030,373</b>	1,040,393
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board on 10 May 2017



J S DENHOLM  
Director

The notes on pages 8 to 10 form part of these financial statements.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2016**

	Note	Called up Share capital £	Profit and loss account £	Total £
At 31 December 2014		1,021,722	231,545	1,253,267
Profit for the financial year		-	37,126	37,126
Dividends paid on equity shares	6	-	(250,000)	(250,000)
<b>At 31 December 2015</b>		<b>1,021,722</b>	<b>18,671</b>	<b>1,040,393</b>
Profit for the financial year		-	29,980	29,980
Dividends paid on equity shares	6	-	(40,000)	(40,000)
<b>At 31 December 2016</b>		<b>1,021,722</b>	<b>8,651</b>	<b>1,030,373</b>

The notes on pages 8 to 10 form part of these financial statements.

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

Denholm Brown Brothers & Company Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1 and its principal activities are set out in the Directors' Report.

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. They have been prepared on the going concern basis, as explained in the Directors' Report.

The functional and presentational currency of Denholm Brown Brothers & Company Limited is considered to be pounds sterling.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard 102, Section 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company includes the company in its consolidated financial statements.

#### **Taxation**

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

The directors have taken advantage of the exemption in Financial Reporting Standard 102, Section 1 from including a detailed financial instruments note on the grounds that the company is a qualifying entity and detailed information on the financial instruments are included in the consolidated financial statements of the ultimate parent.

#### **(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

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

Due to the nature of the business, the directors are of the opinion that there are no significant critical accounting judgements or key sources of estimation uncertainty.

2. OPERATING LOSS

Operating loss is stated after charging:

	2016	2015
	£	£
Auditor's remuneration - audit fees	<u>4,321</u>	<u>4,776</u>

3. PARTICULARS OF EMPLOYEES

(i) There were no employees in the year ended 31 December 2016 or 31 December 2015.

(ii) Directors' Remuneration

No director derived any remuneration from the company (2015 - £Nil). The emoluments and benefits of directors who are also directors of the ultimate parent undertaking are shown in the accounts of that company.

4. INTEREST RECEIVABLE

	2016	2015
	£	£
Interest receivable on amounts due from group undertakings	<u>41,784</u>	<u>51,205</u>

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of tax charge in the year

	2016	2015
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.00% (2015 - 20.25%)	7,491	9,399
Over provision in prior year	(17)	(104)
Total current tax	<u>7,474</u>	<u>9,295</u>

Total current tax for the year when expressed as a percentage of profit on ordinary activities before taxation is the same at 20.00% (2015 - the same at 20.25%) as the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%).

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

6. DIVIDENDS

	2016	2015
	£	£
Dividends paid of £0.04p per share (2015- £0.24p)	<u>40,000</u>	<u>250,000</u>

7. DEBTORS: Amounts falling due within one year

	2016	2015
	£	£
Amounts owed by group undertaking	<u>1,042,024</u>	<u>1,054,398</u>

The debt instrument receivable above is recorded at the undiscounted amount receivable.

The amount owed by a group undertaking within one year is in respect of a loan which bears interest at a fixed rate of 3.75% (2015 - 4%) and is repayable on demand.

8. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Corporation tax	7,491	9,399
Accruals and deferred income	4,321	4,776
	<u>11,812</u>	<u>14,175</u>

The financial liabilities above are recorded at the transaction price.

9. RELATED PARTY TRANSACTIONS

Transactions with entities in which the J. & J. Denholm Limited group of companies has 100% of the voting rights are not disclosed as permitted by Section 33.1A of Financial Reporting Standard 102.

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2016		2015	
	Number	£	Number	£
Ordinary shares of £1 each	<u>1,021,722</u>	<u>1,021,722</u>	<u>1,021,722</u>	<u>1,021,722</u>

11. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking is J. & J. Denholm Limited. Copies of the accounts of J. & J. Denholm Limited being the largest and smallest group which consolidates the financial statements of the company, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.