

**COMPANY REGISTRATION NUMBER SC009656**

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

WEDNESDAY



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COMPANIES HOUSE

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2017**

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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**

BDO LLP  
Chartered Accountants and Statutory Auditor  
Glasgow  
United Kingdom

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2017

The directors submit their report and the financial statements of the company for the year ended 31 December 2017.

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.

### Company number

The company is registered in Scotland (company number SC009656).

### 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 £8,771 (2016 - £29,980). The company has declared and paid a dividend of £Nil during the year (2016 - £40,000).

### 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 directors' 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. 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 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 2018.



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 2017**

**Opinion**

We have audited the financial statements of Denholm Brown Brothers & Company Limited ("the Company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

# **DENHOLM BROWN BROTHERS & COMPANY LIMITED**

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

**YEAR ENDED 31 DECEMBER 2017**

### **Opinion on other matters 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.

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

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 material misstatements in the director's Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' Report and from the requirement to prepare a strategic report.

### **Responsibilities of Directors**

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, and for such internal control as the directors 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.

### **Auditor's responsibilities for the audit of the financial statements**

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.

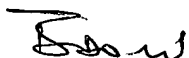
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**DENHOLM BROWN BROTHERS & COMPANY LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**Auditor's responsibilities for the audit of the financial statements** *(continued)*

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Alastair Rae (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Glasgow  
United Kingdom

..... 11 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Administrative expenses		(1,208)	(4,330)
OPERATING LOSS	2	(1,208)	(4,330)
Interest receivable	4	12,070	41,784
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,862	37,454
Tax on profit on ordinary activities	5	(2,091)	(7,474)
PROFIT FOR THE FINANCIAL YEAR		8,771	29,980

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 £8,771 attributable to the shareholders for the year ended 31 December 2017 (2016 - profit of £29,980). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 9 to 12 form part of these financial statements.



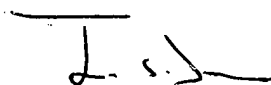
# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## BALANCE SHEET

**31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Debtors due after one year	7	1,042,282	1,042,024
Cash at bank		153	161
		<u>1,042,435</u>	<u>1,042,185</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<b>(3,291)</b>	<b>(11,812)</b>
		<u>1,039,144</u>	<u>1,030,373</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	1,021,722	1,021,722
Profit and loss account		17,422	8,651
		<u>1,039,144</u>	<u>1,030,373</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>1,039,144</u>	<u>1,030,373</u>

These financial statements were approved by the Board on 10 May 2018.



**J S DENHOLM**  
Director

The notes on pages 9 to 12 form part of these financial statements.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2017**

	<b>Note</b>	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 31 December 2015		1,021,722	18,671	1,040,393
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>
Profit for the financial year		-	8,771	8,771
<b>At 31 December 2017</b>		<b>1,021,722</b>	<b>17,422</b>	<b>1,039,144</b>

The notes on pages 9 to 12 form part of these financial statements.

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

### 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.

During 2017, the Financial Reporting Council ('FRC') issued "Amendments to FRS 102 – Triennial Review 2017" which updated and clarified a number of areas in the Financial Reporting Standard. These amendments to FRS 102 come into effect for all companies from 1<sup>st</sup> January 2019, however early adoption is permitted. These financial statements have been prepared in accordance with this new Standard. No adjustments to the comparative information have arisen as a result of this change.

The functional and presentational currency of Denholm Brown Brothers & Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

#### **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 2017**

**1. ACCOUNTING POLICIES (continued)**

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with a maturity date of 12 months or less.

**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:

	2017	2016
	£	£
Auditor's remuneration - audit fees	1,200	4,321
	<u>1,200</u>	<u>4,321</u>

**3. PARTICULARS OF EMPLOYEES**

(i) There were no employees in the year ended 31 December 2017 or 31 December 2016.

(ii) Directors' Remuneration

No director derived any remuneration from the company (2016 - £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**

	2017	2016
	£	£
Interest receivable on amount due from group undertaking	12,070	41,784
	<u>12,070</u>	<u>41,784</u>

**5. TAXATION ON ORDINARY ACTIVITIES**

Analysis of tax charge in the year

	2017	2016
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19.25% (2016 - 20.00%)	2,091	7,491
Over provision in prior year	-	(17)
Total current tax	<u>2,091</u>	<u>7,474</u>

Total current tax for the year when expressed as a percentage of profit on ordinary activities before taxation is the same at 19.25% (2016 - the same at 20.00%) as the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%).

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2017

#### 6. DIVIDENDS

	2017	2016
	£	£
Dividends paid of £Nil per share (2016- £0.04p)	-	40,000
	<u>          </u>	<u>          </u>

#### 7. DEBTORS: Amounts falling due after one year

	2017	2016
	£	£
Amount owed by group undertaking	1,042,282	1,042,024
	<u>          </u>	<u>          </u>

The debt instrument receivable above is recorded at amortised cost.

The amount owed by a group undertaking after one year is in respect of a loan which bears interest at a rate of 3.50% plus Bank of England base rate (2016 - 3.50% plus Bank of England base rate) and is repayable by 31 May 2020.

#### 8. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Corporation tax	2,091	7,491
Accruals and deferred income	1,200	4,321
	<u>          </u>	<u>          </u>
	3,291	11,812
	<u>          </u>	<u>          </u>

The financial liabilities above are recorded at the transaction price.

#### 9. SHARE CAPITAL

Allotted, called up and fully paid:

	2017		2016	
	Number	£	Number	£
Ordinary shares of £1 each	1,021,722	1,021,722	1,021,722	1,021,722
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The profit and loss account of £17,422 (2016 - £8,651) represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 10. 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.

In addition, advantage has been taken of the exemption under 1.12 of FRS 102 from disclosing total remuneration of key management personnel, as the company is a wholly owned subsidiary of J. & J. Denholm Limited.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

**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.