

**COMPANY REGISTRATION NUMBER SC009656**

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**SATURDAY**



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**COMPANIES HOUSE**

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

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**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

B D R MacLehose  
S L Preston

**Secretary**

C D G Daniels

**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

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2022

The directors submit their report and the financial statements of the company for the year ended 31 December 2022.

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 £49,260 (2021 - £5,454).

The directors declared and the company paid dividends of £100,000 for the year ended 31 December 2022 (2021 - £Nil).

#### **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. As stated in note 1, the directors do not consider the company to be a going concern and consequently these financial statements have been prepared on a basis other than going concern.

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.

#### **Disclosure of information to auditor**

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.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2022**

**Going concern**

As explained in note 1 to the financial statements, the directors do not believe that the going concern basis is appropriate and, in consequence, these financial statements have not been prepared on that basis.

By order of the Board on 15 June 2023.

A handwritten signature in black ink, appearing to be 'S L Preston', written over a horizontal line.

S L Preston  
Director

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**DENHOLM BROWN BROTHERS & COMPANY LIMITED**  
**YEAR ENDED 31 DECEMBER 2022**

**Opinion on the 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 2022 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.

We have audited the financial statements of Denholm Brown Brothers & Company Limited ("the company") for the year ended 31 December 2022 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).

**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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

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.

**Emphasis of matter – Financial statements prepared on a basis other than going concern**

We draw attention to note 1 of the financial statements, which explains that the company has ceased to trade. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in note 1. Our opinion is not modified in respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**  
**YEAR ENDED 31 DECEMBER 2022**

**Other Companies Act 2006 reporting**

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 material misstatements in the directors' 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.
- 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 are 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**

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.

**Extent to which the audit was capable of detecting irregularities, including fraud**

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.

The procedures that we designed and executed included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk were then tested substantively;

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

**YEAR ENDED 31 DECEMBER 2022**

**Extent to which the audit was capable of detecting irregularities, including fraud *(continued)***

- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with 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);
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; and
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 December 2022.

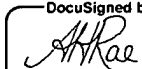
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

**Use of our report**

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.

DocuSigned by:  
  
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Alastair Rae (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Glasgow  
United Kingdom

16 June 2023

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



**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**PROFIT & LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Administrative expenses		<u>(1,701)</u>	<u>(1,850)</u>
OPERATING LOSS	2	<u>(1,701)</u>	<u>(1,850)</u>
Interest receivable	4	<u>62,512</u>	<u>43,410</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<b>60,811</b>	41,560
Tax on profit on ordinary activities	5	<u>(11,551)</u>	<u>(36,106)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><b>49,260</b></u>	<u>5,454</u>

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

**Statement of other comprehensive income**

There are no items of other comprehensive income other than the profit of £49,260 attributable to the shareholders for the year ended 31 December 2022 (2021 - profit of £5,454). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 10 to 13 form part of these financial statements.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**BALANCE SHEET**

**YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>CURRENT ASSETS</b>			
Debtors due after one year	7	<b>1,165,579</b>	1,240,717
Cash at bank		<b>95</b>	102
		<hr/>	<hr/>
		<b>1,165,674</b>	1,240,819
<b>CREDITORS: Amounts falling due within one year</b>	8	<b>(13,215)</b>	(37,620)
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>1,152,459</b>	1,203,199
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	<b>1,021,722</b>	1,021,722
Profit and loss account		<b>130,737</b>	181,477
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>		<b>1,152,459</b>	1,203,199
		<hr/>	<hr/>

These financial statements were approved by the Board on 15 June 2023.



S L Preston  
Director

The notes on pages 10 to 13 form part of these financial statements.

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 31 December 2020		1,021,722	176,023	1,197,745
Profit for the financial year		-	5,454	5,454
<b>At 31 December 2021</b>		<b>1,021,722</b>	<b>181,477</b>	<b>1,203,199</b>
Profit for the financial year		-	49,260	49,260
Dividends paid	6	-	(100,000)	(100,000)
<b>At 31 December 2022</b>		<b>1,021,722</b>	<b>130,737</b>	<b>1,152,459</b>

The notes on pages 10 to 13 form part of these financial statements.

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

### 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 not been prepared on the going concern basis, as explained in the directors' report. The company has taken advantage of the reduced disclosure exemptions as permitted by FRS 102 in preparing these financial statements as noted throughout these financial statements. This information is included in the consolidated financial statements of J. & J. Denholm Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

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.

#### **Going concern**

The company has ceased trading. The directors do not consider the company a going concern and the financial statements have been prepared on a basis other than that of a going concern. There was no effect on the financial statements from preparing on a basis other than that of going concern.

#### **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 2022

#### 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:

	2022	2021
	£	£
Auditor's remuneration - audit fees	<u>1,693</u>	<u>1,840</u>

#### 3. PARTICULARS OF EMPLOYEES

(i) There were no employees in the year ended 31 December 2022 or 31 December 2021.

##### (ii) Directors' Remuneration

No director derived any remuneration from the company (2021 - £Nil). The emoluments and benefits of directors who are also directors of the ultimate parent undertaking are shown in the financial statements of that company.

#### 4. INTEREST RECEIVABLE

	2022	2021
	£	£
Interest receivable on amount due from group undertaking	<u>62,512</u>	<u>43,410</u>

**DENHOLM BROWN BROTHERS & COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**5. TAXATION ON ORDINARY ACTIVITIES**

Analysis of tax charge in the year:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<b>11,554</b>	7,899
Adjustments in respect of prior years	<b>(3)</b>	28,207
	<hr/>	<hr/>
Total current tax	<b>11,551</b>	36,106
	<hr/>	<hr/>

Factors affecting current tax charge for the year.

The tax charge on the profit on ordinary activities for the year is lower (2021 - higher) than the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are reconciled below.

Profit on ordinary activities before tax	<b>60,811</b>	41,560
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%).	<b>11,554</b>	7,899
Adjustments in respect of prior years	<b>(3)</b>	28,207
	<hr/>	<hr/>
Total tax charge	<b>11,551</b>	36,106
	<hr/>	<hr/>

**6. DIVIDENDS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends paid	<b>100,000</b>	-
	<hr/>	<hr/>

**7. DEBTORS**

Amounts falling due after one year

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amount owed by group undertaking	<b>1,165,579</b>	1,240,717
	<hr/>	<hr/>

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 3.5% plus Bank of England base rate (2021 - 3.5% plus Bank of England base rate) and is repayable by 31 May 2025.

# DENHOLM BROWN BROTHERS & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 DECEMBER 2022**

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

	2022	2021
	£	£
Corporation tax	11,554	36,106
Accruals and deferred income	1,661	1,514
	<u>13,215</u>	<u>37,620</u>

The financial liabilities above are recorded at the transaction price.

**9. SHARE CAPITAL**

Allotted, called up and fully paid:

	2022		2021
	Number	£	Number
	1,021,722	1,021,722	1,021,722
Ordinary shares of £1 each	<u>1,021,722</u>	<u>1,021,722</u>	<u>1,021,722</u>

The profit and loss account of £130,737 (2021 - £181,477) 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.

**11. ULTIMATE PARENT COMPANY**

The immediate and ultimate parent undertaking is J. & J. Denholm Limited. Copies of the financial statements 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.