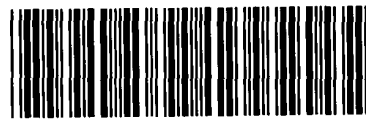


# **David Brown Systems India (Holdings) Limited**

## **Report and Financial Statements**

31 December 2016

THURSDAY



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COMPANIES HOUSE

# David Brown Systems India (Holdings) Limited

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Registered No: 07352552

## **Directors**

D Armitt  
T Burley

## **Company Secretary**

K A Tulley

## **Auditors**

Ernst & Young LLP  
G1  
5 George Square  
Glasgow  
G2 1DY

## **Bankers**

HSBC Plc  
62/76 Park Street  
London  
SE1 9DZ

## **Solicitors**

Dundas & Wilson CS LLP  
191 West George Street  
Glasgow  
G2 2LD

## **Registered Office**

Park Works  
Park Road  
Lockwood  
Huddersfield  
HD4 5DD

## Directors' Report

This report has been prepared in accordance with the small company exemption from preparing a strategic report.

The directors presents their report and financial statements for the year ended 31 December 2016.

### Results and dividends

The company is a holding company and did not trade during the year however in the prior year, the Company did purchase the remaining shareholding of its subsidiary, David Brown Bharat Forge Gear Systems India Limited with associated purchasing costs of £6k.

### Principal activities and review of the business

The principal activity of the company during the period was that of a holding company.

### Directors

The directors who served the company during the year was as follows:

D Armitt

T Burley (appointed [])

### Principal risks and uncertainties

Due to the nature of the business, in that it acts as a holding company, the principal risk it has to manage is that of the carrying value of its investment. This risk is mitigated through the board of directors actively monitoring the performance of the subsidiary in which its investment is made.

### Disclosure of information to the auditors

The directors at the date of approval confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### Auditors

Pursuant to the company's articles of association, the company will propose the reappointment of Ernst & Young LLP as the company's auditors at its Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

On behalf of the Board

  
D Armitt  
Director

Date:

22/9/17

## **Statement of directors' responsibilities in respect of the financial 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 period. 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). 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# **Independent auditors' report**

## **to the members of David Brown Systems India (Holdings) Limited**

We have audited the financial statements of David Brown Systems India (Holdings) Limited for the year ended 31 December 2016 which comprise of the Statement of Financial Position, the Income Statement and other comprehensive income, the Statements of Changes in Equity, and the related notes 1 to 7. 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 101 "Reduced Disclosure Framework".

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 set out on page 3, 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 Strategic Report, Director's Report and Financial Statements 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 result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# Independent auditors' report

to the members of David Brown Systems India (Holdings) Limited (continued)

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

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

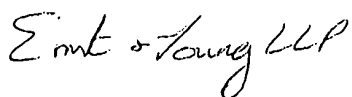
- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



Mark Harvey (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow

United Kingdom

Date: 25 September 2017

**Income Statement and other comprehensive income**

For year ended 31 December 2016

	<i>Note</i>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Administration costs	2	-	(6)
Impairment on investment value	4	-	(205)
<b>Loss on ordinary activities before taxation</b>		-	(211)
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial year</b>		-	(211)
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		-	(211)

There are no recognised gains or losses in 2016 (2015: £nil) attributable to the shareholders for either the current or prior year.

The accompanying notes form an integral part of these financial statements.

**Statement in Changes of Equity**

for the year ended 31 December 2016

	<b>Share Capital</b> <b>£'000</b>	<b>Retained earnings</b> <b>£'000</b>	<b>Total shareholders' funds</b> <b>£'000</b>
At 1 January 2015	-	-	-
Loss in year	-	(211)	(211)
<b>At 31 December 2015</b>	-	(211)	(211)
Result in year	-	-	-
<b>At 31 December 2016</b>	-	(211)	(211)

**Statement of Financial Position**

at 31 December 2016

	<i>Note</i>	<b>2016 £000</b>	<b>2015 £'000</b>
<b>Fixed assets</b>			
Investments	4	598	598
		<u>598</u>	<u>598</u>
<b>Creditors: amounts falling due within one year</b>	5	(809)	(809)
<b>Net current liabilities</b>		<u>(809)</u>	<u>(809)</u>
<b>Total assets less current liabilities</b>		<u>(211)</u>	<u>(211)</u>
<b>Net liabilities</b>		<u>(211)</u>	<u>(211)</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Retained earnings		(211)	(211)
<b>Total shareholders' deficit</b>		<u>(211)</u>	<u>(211)</u>

The accompanying notes on pages 8 to 12 form an integral part of these financial statements.

The accounts have been prepared in accordance with provisions applicable to entities subject to the small entities regime.

Approved by the Board and authorised for issue.



D. Armitt  
Director

Date:

22/9/17



## Notes to the financial statements

at 31 December 2016

### 1. Accounting policies

#### *Statement of Compliance with FRS 101*

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

#### *Basis of preparation*

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of paragraphs 10(d), 10(f) and 39(c) of IAS 1 Presentation of Financial Statements;
- b) the requirements of IAS 7 Statement of Cash Flows;
- c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, Changes in Accounting estimates and errors; and
- d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The financial statements have been prepared on the going concern basis. The directors believe this to be appropriate for the following reason:

The company is dependent on funds provided to it by David Brown Systems S.a.r.l. The company's intermediate parent undertaking, David Brown Systems S.a.r.l has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

In addition, the funds owed to David Brown Systems UK Limited are unlikely to be called within the 12 months.

The company has availed itself of the exemption conferred by Section 402 of the Companies Act 2006, whereby group financial statements need not be prepared as the company is a wholly owned subsidiary undertaking of David Brown Systems (Holdings) S.a.r.l. which prepares group financial statements.

#### *Investments*

Fixed asset investments are shown at cost less any provision for impairment.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Income statement.

### 2. Administrative Expenses

In the prior year the company incurred charges from legal advisors associated with the purchase of the remaining shares of its subsidiary, totalling £6,000.

## Notes to the financial statements

at 31 December 2016

### 3. Tax

(a) Tax charged in the income statement

The tax charge is made up as follows:

	2016 £'000	2015 £'000
<b>Current income tax</b>		
Corporation tax	-	-
Group relief payable	-	-
Total current income tax (note 3(c))	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Prior period adjustment	-	-
Tax expense in the income statement	-	-

(b) Tax relating to items charged or credited to other comprehensive income

	2016 £'000	2015 £'000
Current income tax	-	-
Deferred tax	-	-
Tax expense in the statement of other comprehensive income	-	-

## Notes to the financial statements

at 31 December 2016

### 3. Tax (continued)

#### (c) Reconciliation of the total tax charge

The tax expense in the income statement for the year is higher than the standard rate of corporation tax in the UK of []% (2015: 20.25%). The differences are reconciled below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	-	(211)
Tax calculated at the UK standard rate of corporation tax at []% (2015: 20.25%).	-	(43)
Expenses not deductible for tax purposes	-	43
Unrelieved tax losses carried forward	-	-
Total current income tax (note 3(a))	-	-

#### (d) Unrecognised tax losses

The company has no unrecognised tax losses.

#### (e) Change in corporation tax rate

The Finance Act (No. 2) 2015, which was substantively enacted on 26 October 2015, includes legislation reducing the main rate of corporation tax from 20% to 18%. This decrease is to be phased in with a reduction to 19% effective from 1 April 2017 and a reduction to 18% effective from 1 April 2020. Subsequently, the Budget 2016 proposed a change to reduce this rate further to 17% from 1 April 2020.

## Notes to the financial statements (continued)

at 31 December 2016

### 4. Investments

	£'000
<b>Cost</b>	
<b>At 31 January 2016 and 31 December 2016</b>	<b>803</b>
<b>Accumulated impairment</b>	
At 1 January 2016	(205)
Impairment on investment	-
<b>At 31 December 2015</b>	<b>(205)</b>
<b>Net Book Value</b>	
At 31 December 2015	598
<b>At 31 December 2016</b>	<b>598</b>

<i>Subsidiary undertakings (100%)</i>	<i>Nature of business</i>	<i>Country of registration or incorporation</i>
David Brown Bharat Forge Gear Systems India Ltd	Trading	India

In the opinion of the directors the investment in the company's subsidiary undertaking are worth at least the amount at which it is stated in the balance sheet.

In August 2015, the company purchased the remaining 50% of available share capital from its previous shareholder for £300k. The valuation of the 50% purchased has resulted in the impairment of the 50% investment previously held.

## Notes to the financial statements (continued)

at 31 December 2016

### 5. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade payables	-	6
Amounts owed to parent undertakings	809	803
	<u>809</u>	<u>809</u>

### 6. Share capital

	No.	2016 £'000	No.	2015 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	0	1	0
	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>

### 7. Ultimate parent company

The company's immediate parent undertaking is David Brown Systems UK Limited, a company incorporated in the United Kingdom.

The company's intermediate parent undertaking in which David Brown India (Holdings) Limited's results are consolidated is DB Santasalo S.à r.l., a company registered in Luxembourg. Copies of the financial statements can be obtained from 8-10 Avenue de la Gare, Luxembourg.

Management considers the company's ultimate parent undertaking to be David Brown Systems (Holdings) S.à r.l. which is a limited partnership incorporated in Luxembourg.