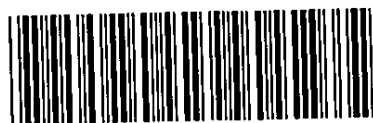


COMPANY REGISTRATION NUMBER SC009656

DENHOLM BROWN BROTHERS & COMPANY LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

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COMPANIES HOUSE

DENHOLM BROWN BROTHERS & COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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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 2012

The directors submit their report and the financial statements of the company for the year ended 31 December 2012.

This directors' report has been prepared in accordance with the special provisions relating to small sized companies under section 417 of the Companies Act 2006.

Company number

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

Principal activities and business review

During the year the company carried out the trade of lending funds to group companies.

Results and dividends

The profit for the year after taxation was £1,098,934 (2011 - £1,041,697). The company has declared and paid a dividend of £1,000,000 during the year (2011 - £800,000). It is intended that the company will cease to trade in April 2013. As a result the directors have prepared the accounts on a basis other than that of a going concern.

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). 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.

DENHOLM BROWN BROTHERS & COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

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 17 April 2013



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 2012

We have audited the financial statements of Denholm Brown Brothers & Company Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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).

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. 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 2012 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.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

YEAR ENDED 31 DECEMBER 2012

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 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

18 April 2013

DENHOLM BROWN BROTHERS & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Administrative expenses		<u>(5,021)</u>	<u>(4,131)</u>
OPERATING LOSS	2	<u>(5,021)</u>	<u>(4,131)</u>
Interest receivable	4	<u>1,461,090</u>	<u>1,444,719</u>
 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		 <u>1,456,069</u>	 <u>1,440,588</u>
Tax on profit on ordinary activities	5	<u>(357,135)</u>	<u>(398,891)</u>
 PROFIT FOR THE FINANCIAL YEAR	11	 <u><u>1,098,934</u></u>	 <u><u>1,041,697</u></u>

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

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £1,098,934 attributable to the shareholders for the year ended 31 December 2012 (2011 - profit of £1,041,697). Accordingly, a statement of total recognised gains and losses is not presented.

The notes on pages 8 to 11 form part of these financial statements.

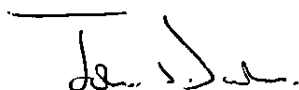
DENHOLM BROWN BROTHERS & COMPANY LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
CURRENT ASSETS			
Debtors due within one year	7	6,727,519	5,646,637
Debtors due after more than one year	7	29,308,000	30,308,000
Cash at bank		34	1,237
		<u>36,035,553</u>	<u>35,955,874</u>
CREDITORS: Amounts falling due within one year	8	<u>(182,240)</u>	<u>(201,495)</u>
NET ASSETS		<u>35,853,313</u>	<u>35,754,379</u>
CAPITAL AND RESERVES			
Called-up share capital	10	1,021,722	1,021,722
Profit and loss account	11	34,831,591	34,732,657
SHAREHOLDERS' FUNDS	12	<u>35,853,313</u>	<u>35,754,379</u>

These financial statements were approved by the Board on 17th April 2013



J S DENHOLM
Director

The notes on pages 8 to 11 form part of these financial statements.

DENHOLM BROWN BROTHERS & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. They have been prepared on a basis other than that of a going concern, as explained in the Directors' Report. No adjustments arose as a result of applying this basis for preparation.

The principal accounting policies are summarised below. They have all been adopted consistently throughout the current and preceding year.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company publishes 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.

2. OPERATING LOSS

Operating loss is stated after charging:

	2012	2011
	£	£
Auditor's remuneration - audit fees	<u>4,976</u>	<u>4,131</u>

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

4. INTEREST RECEIVABLE

	2012	2011
	£	£
Interest receivable on amounts due from group undertakings	<u>1,461,090</u>	<u>1,444,719</u>

DENHOLM BROWN BROTHERS & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of tax charge in the year

	2012 £	2011 £
Current tax:		
UK Corporation tax based on the results for the year at 24.50% (2011 - 26.50%)	356,697	381,657
Under provision in prior year	438	17,234
Total current tax	<u>357,135</u>	<u>398,891</u>

Total current tax for the year when expressed as a percentage of profit on ordinary activities before taxation is the same at 24.5% (2011 – the same at 26.5%) as the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%).

6. DIVIDENDS

	2012 £	2011 £
Dividends paid of £0.98 per share (2011 - £0.78):	<u>1,000,000</u>	<u>800,000</u>

7. DEBTORS

	2012 £	2011 £
Amounts falling due within one year:		
Amounts owed by group undertakings	6,727,519	5,640,062
Other prepayments and accrued income	–	6,575
	<u>6,727,519</u>	<u>5,646,637</u>

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

	2012 £	2011 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>29,308,000</u>	<u>30,308,000</u>

The amount owed by group undertakings after more than one year is in respect of loans which bear interest at a fixed rate of 4% and are repayable by 31 March 2014.

DENHOLM BROWN BROTHERS & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

8. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Corporation tax	177,957	190,101
Accruals and deferred income	4,283	11,394
	<u>182,240</u>	<u>201,495</u>

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 Financial Reporting Standard No.8 - "Related Party Disclosures".

10. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
Ordinary shares of £1 each	<u>1,021,722</u>	<u>1,021,722</u>

Allotted, called up and fully paid:

	2012		2011
	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>

DENHOLM BROWN BROTHERS & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

11. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	34,732,657	34,490,960
Profit for the financial year	1,098,934	1,041,697
Dividends paid (note 6)	<u>(1,000,000)</u>	<u>(800,000)</u>
Balance carried forward	<u>34,831,591</u>	<u>34,732,657</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	1,098,934	1,041,697
Dividends paid (note 6)	<u>(1,000,000)</u>	<u>(800,000)</u>
Net increase to shareholders' funds	98,934	241,697
Opening shareholders' funds	<u>35,754,379</u>	<u>35,512,682</u>
Closing shareholders' funds	<u>35,853,313</u>	<u>35,754,379</u>

13. ULTIMATE PARENT COMPANY

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