

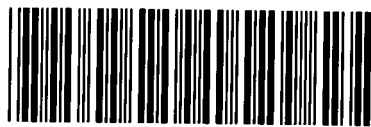
COMPANY REGISTRATION NUMBER SC083579

**DENHOLM INDUSTRIAL SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2014**

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**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

D Bonaccorsi  
T McIlduff  
D L O'Brien  
M J Beveridge (Resigned 2 October 2014)  
W M McFadyen  
J P H More (Appointed 9 January 2015)  
T Ross (Appointed 5 February 2014)  
B D R Maclehose (Appointed 9 January 2015)

**Secretary**

G A Hanson

**Registered office**

18 Woodside Crescent  
Glasgow  
G3 7UL

**Independent auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh  
United Kingdom

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2014**

**Business review**

The directors consider the trading result for the year to be in line with expectation. The directors are anticipating a more difficult trading environment in 2015, as they look to secure further long term work to replace contracts completed during the year.

The company's key performance indicators are turnover, operating profit and profit on ordinary activities before taxation. Turnover for the year amounted to £6,563,697 (2013 - £9,425,476), operating profit amounted to £616,249 (2013 - £1,622,330) and profit on ordinary activities before taxation amounted to £696,120 (2013 - £1,728,135).

The results include a significant final receipt from a construction project of which the final account was agreed within the current period. The company believes that M.O.D procurement process and prolongation to work flow impacted on the turnover decreasing by 30.4%.

**Financial risk management**

The company's principal risks and uncertainties relate to economic factors such as government spending cuts and the performance of competitors. To mitigate against these risks the company seeks to build on its current market share and develop new business sectors.

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has a relatively concentrated credit risk, with exposure spread over a small number of customers. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company's principal financial liabilities are trade creditors.

In the normal course of business the company makes all sales and purchases in sterling.

By order of the Board on 14 May 2015



J P H MORE  
Director



# **DENHOLM INDUSTRIAL SERVICES LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2014**

The directors submit their report and the financial statements of the company for the year ended 31 December 2014.

#### **Results and dividends**

The profit for the year after taxation was £540,187 (2013 - profit: £1,307,099). The directors do not recommend a dividend for the year ended 31 December 2014 (2013 - £1,200,000).

#### **Principal activity**

The principal activity of the company is the provision of scaffolding and painting services within the UK.

#### **Financial risk management**

Information on the company's financial risk management is included within the Strategic report.

#### **Directors**

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

#### **Employment policies**

The company's employment policies are built around Fairness, Achievement, Integrity and Respect as set out in the Denholm Standard for employment.

#### **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;
- state whether applicable United Kingdom 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, 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 Annual Report and 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.

**DENHOLM INDUSTRIAL SERVICES LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2014**

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 14 May 2015

A handwritten signature in black ink, appearing to be 'G A Hanson', written over a horizontal line.

G A HANSON  
Company Secretary

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**INDUSTRIAL SERVICES LIMITED**  
**YEAR ENDED 31 DECEMBER 2014**

We have audited the financial statements of Denholm Industrial Services Limited, company registration number SC083579, for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. 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 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 2014 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 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.

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**INDUSTRIAL SERVICES LIMITED***(continued)*  
**YEAR ENDED 31 DECEMBER 2014**

**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.



James Boyle CA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh  
United Kingdom

**15 MAY 2015**



**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	2	6,563,697	9,425,476
Cost of sales		(3,499,075)	(5,540,559)
GROSS PROFIT		<u>3,064,622</u>	<u>3,884,917</u>
Distribution costs		(319,450)	(236,652)
Administrative expenses		(2,130,576)	(2,030,382)
Profit on disposal of fixed assets	3	1,653	4,447
OPERATING PROFIT	4	<u>616,249</u>	<u>1,622,330</u>
Interest receivable	7	79,871	105,805
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>696,120</u>	<u>1,728,135</u>
Tax on profit on ordinary activities	8	(155,933)	(421,036)
PROFIT FOR THE FINANCIAL YEAR	19	<u><u>540,187</u></u>	<u><u>1,307,099</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 £540,187 attributable to the shareholders for the year ended 31 December 2014 (2013 - profit of £1,307,099). Accordingly, a statement of recognised gains and losses is not presented.

The notes on pages 9 to 16 form part of these financial statements.

**DENHOLM INDUSTRIAL SERVICES LIMITED**

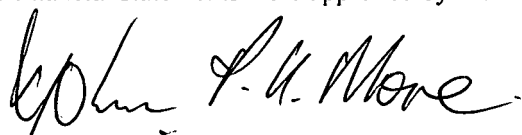
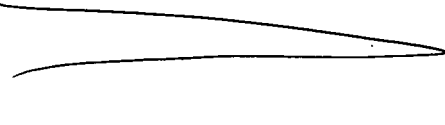
**BALANCE SHEET**

**31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>1,121,596</u>	<u>1,393,511</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	11	<u>3,522,056</u>	<u>3,878,902</u>
Cash at bank and in hand		<u>23,689</u>	<u>24,477</u>
		<u>3,545,745</u>	<u>3,903,379</u>
CREDITORS: Amounts falling due within one year	13	<u>(2,116,524)</u>	<u>(3,630,260)</u>
<b>NET CURRENT ASSETS</b>		<u>1,429,221</u>	<u>273,119</u>
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>(344,000)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>2,206,817</u>	<u>1,666,630</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	18	<u>500,000</u>	<u>500,000</u>
Profit and loss account	19	<u>1,706,817</u>	<u>1,166,630</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>2,206,817</u>	<u>1,666,630</u>

These financial statements were approved by the Board on 14 May 2015

J P H MORE  
Director

The notes on pages 9 to 16 form part of these financial statements.

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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

The financial statements have been prepared on a going concern basis, as explained in the Directors' Report.

**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 on the grounds that the company is wholly owned and its ultimate parent includes it in its consolidated financial statements.

**Turnover**

The turnover shown in the profit and loss account represents amounts earned during the year and is stated net of Value Added Tax.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation, and any provision for impairment. Depreciation is calculated on a straight line basis to write off the cost less estimated residual value of tangible fixed assets over their anticipated useful lives as follows:

Motor Vehicles	- 4 - 6 years
Plant & Machinery	- 3 - 10 years

**Leases**

Rentals in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**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.

Deferred taxation is recognised as an asset or liability if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax or a right to pay less tax in the future. An asset is not recognised unless it is more likely than not that the transfer of economic benefits will crystallise in the future. Deferred tax assets and liabilities are not discounted.

**Long term contracts**

Profit on individual contracts is taken only where their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that prudently forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts, taking a prudent view of future claims income, immediately as such losses are foreseen.

Excess progress payments are included in creditors as deferred income and any outstanding amounts recoverable on contracts are held in debtors.

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**1 ACCOUNTING POLICIES** *(continued)*

**Provision for warranty claims**

As is customary in our industry, a number of the company's contracts include warranty obligations in respect of the work we have undertaken. These obligations continue for a variety of periods up to a maximum of seven years. In drawing up the financial statements as at 31 December 2014, the directors have recognised a provision for future costs expected to be incurred in respect of warranties issued up to that date based on their best estimate of such costs. The level of provision is reassessed at least annually based on latest information, the company's warranty track record and any known issues.

**2 TURNOVER**

An analysis of turnover by destination is given below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>6,563,697</b>	<b>9,425,476</b>

**3 OTHER OPERATING INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on disposal of fixed assets	<b>1,653</b>	<b>4,447</b>

**4 OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>368,881</b>	<b>285,036</b>
Profit on disposal of fixed assets	<b>(1,653)</b>	<b>(4,447)</b>
Auditor's remuneration - audit fees	<b>20,000</b>	<b>25,000</b>
Operating lease costs:		
Land and buildings	<b>151,605</b>	<b>105,662</b>

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**5 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	<b>2014</b>	2013
	<b>Number</b>	Number
Number of production staff	<b>60</b>	103
Number of administrative staff	<b>16</b>	19
Number of management staff	<b>7</b>	5
	<hr/> <b>83</b> <hr/>	<hr/> 127 <hr/>

The aggregate payroll costs of the above were:

	<b>2014</b>	2013
	<b>£</b>	£
Wages and salaries	<b>2,254,821</b>	3,318,807
Social security costs	<b>236,344</b>	337,208
Other pension costs	<b>64,023</b>	47,612
	<hr/> <b>2,555,188</b> <hr/>	<hr/> 3,703,627 <hr/>

**6 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	2013
	<b>£</b>	£
Remuneration receivable	<b>642,957</b>	572,025
Company pension contributions to money purchase schemes	<b>30,097</b>	20,987
	<hr/> <b>673,054</b> <hr/>	<hr/> 593,012 <hr/>

Remuneration of highest paid director:

	<b>2014</b>	2013
	<b>£</b>	£
Total remuneration (excluding pension contributions)	<hr/> <b>303,404</b> <hr/>	<hr/> 329,008 <hr/>

The number of directors who accrued benefits under company pension schemes was as follows:

	<b>2014</b>	2013
	<b>Number</b>	Number
Money purchase schemes	<hr/> <b>5</b> <hr/>	<hr/> 4 <hr/>

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**7 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014</b>	2013
	<b>£</b>	£
Bank interest received	<b>356</b>	1,351
Interest receivable on amounts due from group undertakings	<b>79,515</b>	104,454
	<u><b>79,871</b></u>	<u>105,805</u>

**8 TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of tax charge in the year**

	<b>2014</b>	2013
	<b>£</b>	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<b>183,146</b>	404,319
Total current tax	<b>183,146</b>	404,319
Deferred tax:		
Origination and reversal of timing differences	<b>(27,213)</b>	16,717
Tax on profit on ordinary activities	<u><b>155,933</b></u>	<u>421,036</u>

**(b) Factors affecting current tax charge for the period**

Total current tax for the year when expressed as a percentage of profit on ordinary activities before taxation is higher at 26% (2013 - the same at 23%) than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	<b>2014</b>	2013
	<b>%</b>	%
Standard rate of corporation tax in the UK	<b>22</b>	23
Capital allowances in excess of accounting depreciation	<b>3</b>	(1)
Expenses not deductible for tax purposes	<b>1</b>	-
Difference in current tax rate and deferred tax rate	<b>-</b>	1
	<u><b>26</b></u>	<u>23</u>

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**8 TAX ON PROFIT ON ORDINARY ACTIVITIES** *(continued)*

Finance Act 2013, which was substantively enacted on 17 July 2013, reduced the main rate of corporation tax to 21% for the financial year commencing 1 April 2014. This rate was further reduced to 20% for the financial year commencing 1 April 2015.

The above rate changes will reduce any future UK corporation tax liabilities of the company but will not have a material effect on the tax balances recognised at 31 December 2014.

The tax rate used for tax on profit on ordinary activities is the effective standard rate for UK corporation tax for the year ended 31 December 2014.

**9 DIVIDENDS PAID**

	2014 £	2013 £
Paid dividends of £Nil per share (2013 - £2.40 per share)	-	1,200,000

**10 TANGIBLE FIXED ASSETS**

	Freehold & Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost					
At 1 January 2014	839,775	6,659,776	685,490	1,134,868	9,319,909
Additions	-	62,618	23,769	10,579	96,966
Disposals	-	(429,574)	(14,250)	-	(443,824)
At 31 December 2014	839,775	6,292,820	695,009	1,145,447	8,973,051
Depreciation					
At 1 January 2014	210,702	5,947,718	652,361	1,115,617	7,926,398
Charge for the year	124,227	217,910	15,300	11,444	368,881
On disposals	-	(429,574)	(14,250)	-	(443,824)
At 31 December 2014	334,929	5,736,054	653,411	1,127,061	7,851,455
Net Book Value					
At 31 December 2014	504,846	556,766	41,598	18,386	1,121,596
At 31 December 2013	629,073	712,058	33,129	19,251	1,393,511

All Freehold property relates to assets in the course of construction. Depreciation will not be charged on Freehold property until the site is completely developed. Leasehold property relates to a lease with less than 50 years unexpired.

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**11 DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade debtors	<b>480,779</b>	1,397,642
Amounts owed by group undertakings	<b>1,860,160</b>	914,373
Amounts recoverable on contracts	<b>1,012,825</b>	1,417,956
Other debtors	<b>523</b>	149
Prepayments and accrued income	<b>32,655</b>	40,881
Deferred taxation (note 12)	<b>135,114</b>	107,901
	<b><u>3,522,056</u></b>	<b><u>3,878,902</u></b>

The amount owed by group undertakings is in respect of a loan to the immediate parent company which bears interest at a fixed rate of 4% and is payable on demand.

**12 DEFERRED TAXATION**

The deferred tax included in the balance sheet is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Included in debtors (note 11)	<b><u>135,114</u></b>	<b><u>107,901</u></b>

The movement in the deferred taxation account during the year was:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>107,901</b>	124,618
Profit and loss account movement arising during the year (note 8)	<b>27,213</b>	(16,717)
Balance carried forward	<b><u>135,114</u></b>	<b><u>107,901</u></b>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Accounting depreciation in excess of capital allowances	<b><u>135,114</u></b>	<b><u>107,901</u></b>

There is no unprovided deferred tax at 31 December 2014 or 31 December 2013.



**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**13 CREDITORS: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>292,478</b>	359,687
Amounts owed to group undertakings	<b>46,904</b>	139,581
Corporation tax	<b>172,995</b>	227,374
Other taxation and social security	<b>185,363</b>	206,555
Other creditors	<b>59,568</b>	54,470
Accruals and deferred income	<b>1,359,216</b>	2,642,593
	<b><u>2,116,524</u></b>	<b><u>3,630,260</u></b>

**14 PROVISIONS FOR LIABILITIES**

	<b>2014</b>
	<b>£</b>
Provision for warranty claims:	
At 1 January 2014	-
Reclassified from accruals	344,000
	<b><u>344,000</u></b>
At 31 December 2014	<b><u>344,000</u></b>

In the current year, the company's estimated liability for warranty claims have been classified within provisions to better reflect the underlying nature of the liability.

**15 PENSIONS**

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £64,023 (2013 - £47,612).

**16 COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>34,924</b>	45,638
Within 2 to 5 years	<b>4,500</b>	56,000
	<b><u>39,424</u></b>	<b><u>101,638</u></b>

**DENHOLM INDUSTRIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**17 RELATED PARTY TRANSACTIONS**

Transactions with entities in which 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".

**18 SHARE CAPITAL**

Allotted, called up and fully paid:

	<b>2014</b>		<b>2013</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Ordinary shares of £1 each	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

**19 PROFIT AND LOSS ACCOUNT**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>1,166,630</b>	1,059,531
Profit for the financial year	<b>540,187</b>	1,307,099
Dividends paid (note 9)	-	(1,200,000)
Balance carried forward	<b>1,706,817</b>	1,166,630

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>540,187</b>	1,307,099
Dividends paid (note 9)	-	(1,200,000)
Net increase to shareholders' funds	<b>540,187</b>	107,099
Opening shareholders' funds	<b>1,666,630</b>	1,559,531
Closing shareholders' funds	<b>2,206,817</b>	1,666,630

**21 ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Denholm Industrial Services (Holdings) Limited, a company registered in Scotland. The ultimate parent undertaking is J. & J. Denholm Limited. Copies of the accounts of J. & J. Denholm Limited, the largest and smallest group undertaking, which consolidate the financial statements of the company, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.