

COMPANY REGISTRATION NUMBER SC298532

**DENHOLM MACNAMEE LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2013**

TUESDAY



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**DENHOLM MACNAMEE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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**DENHOLM MACNAMEE LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

G W Finnerty (Resigned 15 February 2013)  
A Little (Resigned 8 February 2013)  
J S Denholm (Resigned 8 March 2013)  
R A Wood  
M J Beveridge  
B J Ritchie

**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 MACNAMEE LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

### Business review

The company recorded an improved performance in the year partly due to the sale of the loss making Pipecare branch but also due to increased equipment hire and cleaning activity from the continuing business.

The company's key performance indicators are turnover, operating profit and profit on ordinary activities before taxation. Turnover for the year from continuing operations amounted to £6,063,928 (2012 - £7,489,406), total operating profit amounted to £1,371,223 (2012 - £902,996) and the profit on ordinary activities before taxation amounted to £1,410,820 (2012 - £725,108). The company's year end balance sheet reported net assets of £1,677,153 (2012 - £1,286,146).

The company's principal risks and uncertainties relate to the strength of the oil and gas market, together with the performance of customers and competitors.

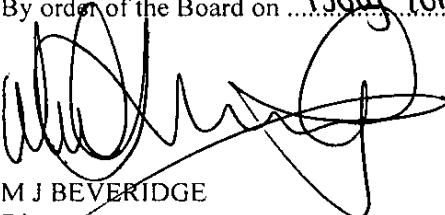
### Financial risk management

The company's principal financial asset is its trade debtors and the company's credit risk is primarily attributable to these. The company has implemented policies that require appropriate credit checks on potential customers before sales are made and it applies rigorous credit control procedures.

The company's principal financial liabilities are the amounts owed to group undertakings, in respect of which interest is applied at a fixed rate. The company has negotiated a loan facility from its parent company to fund ongoing operations and planned expansion.

In the normal course of business the company makes sales and purchases in sterling and US dollars. The company manages the risk of foreign exchange movements by entering into forward currency contracts through the parent company in accordance with the group treasury and risk management policy.

By order of the Board on ... 1 July 2014



M J BEVERIDGE  
Director

# DENHOLM MACNAMEE LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2013

The directors submit their report and the financial statements of the company for the year ended 31 December 2013.

#### **Principal activities**

The principal activity of the company is pipeline maintenance, rental of industrial pumps and equipment and the supply of industrial cleaning services.

On 28<sup>th</sup> February 2013 the pipeline maintenance business was sold. All of the associated trade and assets were sold to the purchaser.

#### **Results and dividends**

The profit for the year after taxation was £1,091,007 (2012 - profit of £473,756).

The company has paid a dividend of £700,000 for the year ended 31 December 2013 (2012 - £Nil).

#### **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 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 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.

**DENHOLM MACNAMEE LIMITED**

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

**YEAR ENDED 31 DECEMBER 2013**

**Going concern**

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 financial statements.

By order of the Board on 1 July 2014



G A HANSON  
Company Secretary

**DENHOLM MACNAMEE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**MACNAMEE LIMITED**  
**YEAR ENDED 31 DECEMBER 2013**

We have audited the financial statements of Denholm MacNamee Limited, company registration number SC298532, for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. 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 2013 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 MACNAMEE LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM  
MACNAMEE LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2013**

**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.



Colin Gibson CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Glasgow  
United Kingdom

4 July 2014



**DENHOLM MACNAMEE LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>			
Continuing operations		6,063,928	7,489,406
Discontinued operations		113,887	3,217,677
Total turnover	2	6,177,815	10,707,083
Cost of sales		(3,573,285)	(7,887,311)
<b>GROSS PROFIT</b>		2,604,530	2,819,772
Administrative expenses		(1,322,223)	(1,964,023)
Other operating income	3	88,916	47,247
<b>OPERATING PROFIT</b>			
Continuing operations operating profit		1,567,943	1,462,736
Discontinued operations operating loss		(196,720)	(559,740)
Total operating profit	4	1,371,223	902,996
Profit / (loss) on a termination of an operation	4	76,914	(85,000)
Interest payable and similar charges	7	(37,317)	(92,888)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,410,820	725,108
Tax on profit on ordinary activities	8	(319,813)	(251,352)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	21	1,091,007	473,756

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit of £1,091,007 attributable to the shareholders for the year ended 31 December 2013 (2012 - profit of £473,756). Accordingly, a statement of total recognised gains and losses is not presented.

The notes on pages 9 to 18 form part of these financial statements.

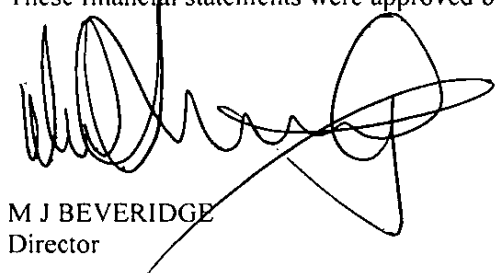
**DENHOLM MACNAMEE LIMITED**

**BALANCE SHEET**

**31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	10	94,177	165,053
Tangible assets	11	<u>1,026,103</u>	<u>1,660,069</u>
		<u>1,120,280</u>	<u>1,825,122</u>
<b>CURRENT ASSETS</b>			
Stocks	12	209,743	47,469
Debtors due within one year	13	2,296,328	2,436,711
Cash at bank and in hand		<u>54,368</u>	<u>813,327</u>
		2,560,439	3,297,507
CREDITORS: Amounts falling due within one year	15	<u>(2,003,566)</u>	<u>(2,522,164)</u>
NET CURRENT ASSETS		<u>556,873</u>	<u>775,343</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,677,153</u>	<u>2,600,465</u>
CREDITORS: Amounts falling due after more than one year	16	<u>-</u>	<u>(1,314,319)</u>
NET ASSETS		<u>1,677,153</u>	<u>1,286,146</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	20	1,000,000	1,000,000
Profit and loss account	21	<u>677,153</u>	<u>286,146</u>
SHAREHOLDERS' FUNDS	22	<u>1,677,153</u>	<u>1,286,146</u>

These financial statements were approved by the Board on 1 July 2014



M J BEVERIDGE  
Director

The notes on pages 9 to 18 form part of these financial statements.

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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 going concern basis, as explained in the Directors' Report.

The principal accounting policies are summarised below. They have all been adopted consistently throughout the current year and the prior 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 parent includes the company 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.

**Intangible assets**

Trading licences acquired are capitalised at cost and amortised over their useful economic life, which is four years.

Goodwill arising on the purchase of a business is capitalised and written off on a straight line basis over its useful economic life, which is five years. Provision is made for any impairment.

**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:

Leasehold Property	- over the lesser period of the lease or 10 years
Plant & Machinery	- 4 years
Fixtures & Fittings	- 4 years
Motor Vehicles	- 4 years
Equipment	- 4 years

**Stocks**

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

1 ACCOUNTING POLICIES *(continued)*

**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**

Pension costs arise in respect of a defined contribution scheme. Contributions are charged to the profit and loss account as incurred.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) 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.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. All monetary liabilities and assets are translated at the year end exchange rates or, if appropriate, at a forward contract rate. Exchange differences are taken into account in arriving at the operating result. There were no foreign exchange forward contracts outstanding at the current or prior year end.

2 TURNOVER

An analysis of turnover by destination is given below:

	2013	2012
	£	£
United Kingdom	5,355,820	8,321,850
Overseas	821,995	2,385,233
	<u>6,177,815</u>	<u>10,707,083</u>

3 OTHER OPERATING INCOME

	2013	2012
	£	£
Profit on disposal of fixed assets	<u>88,916</u>	<u>47,247</u>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**4 OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation of intangible assets	(15,199)	83,159
Depreciation of tangible fixed assets	492,036	1,342,252
Auditor's remuneration - audit fees	7,000	7,372
(Gain)/Loss on foreign exchange	(28,478)	2,361
Operating lease costs:		
Land and buildings	<u>75,052</u>	<u>135,945</u>

Cost of sales of £136,364 (2012: £2,905,000) and administrative expenses of £174,244 (2012: £873,411) relating to the discontinued operations are included within the profit and loss account in the year.

**5 PARTICULARS OF EMPLOYEES**

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

	2013	2012
	Number	Number
Number of administrative staff	2	9
Number of management staff	5	7
Number of technical staff	29	42
	<u>36</u>	<u>58</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	1,828,993	2,736,508
Social security costs	201,856	320,498
Other pension costs	47,133	77,996
	<u>2,077,982</u>	<u>3,135,002</u>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**6 DIRECTORS' REMUNERATION**

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<b>155,815</b>	287,291
Company pension contributions to money purchase schemes	<b>2,308</b>	18,366
	<b><u>158,123</u></b>	<b><u>305,657</u></b>

Remuneration of highest paid director:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Total remuneration (excluding pension contributions)	<b>135,507</b>	89,489
Company pension contributions to money purchase schemes	-	10,251
	<b><u>135,507</u></b>	<b><u>99,740</u></b>

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

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<b><u>1</u></b>	<b><u>2</u></b>

**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Interest payable on amounts due to group undertakings	<b><u>37,317</u></b>	<b><u>92,888</u></b>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

(a) Analysis of tax charge/(credit) in the year

	2013 £	2012 £
Current tax:		
UK Taxation in respect of the year:		
UK Corporation tax based on the results for the year	311,723	391,771
Under/(over) provision in prior year	30,413	(14,077)
	342,136	377,694
Double taxation relief	(49,440)	(69,878)
	292,696	307,816
Foreign tax		
Current tax on income for the year	53,637	111,730
Adjustments in respect of prior periods	(50,674)	-
	295,659	419,546
Total current tax		
Deferred tax:		
Origination and reversal of timing differences	24,154	(168,194)
	319,813	251,352
Tax on profit on ordinary activities	319,813	251,352

b) Factors affecting current tax charge for the period

Total current tax for the year when expressed as a percentage of profit/(loss) on ordinary activities before taxation is lower at 21% (2012 - higher at 35%) than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%).

	2013 %	2012 %
Standard rate of corporation tax in the UK	23	25
Expenses not deductible for tax purposes	1	6
Accounting depreciation not eligible for tax purposes	-	1
Goodwill amortisation not eligible for tax purposes	-	3
Capital allowances in excess of accounting depreciation	(2)	-
Adjustments in respect of prior periods	(1)	-
Difference in current and deferred tax rates	1	-
Sundry tax adjusting items	(1)	-
	21	35
	21	35

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.

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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

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 2013.

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 2013.

9 DIVIDENDS

	2013	2012
	£	£
Dividends paid at £0.70 per share (2012 - £Nil)	<u>700,000</u>	<u>-</u>

10 INTANGIBLE FIXED ASSETS

		<b>Goodwill</b>
		£
Cost		
At 1 January 2013		321,115
Disposals		(103,790)
At 31 December 2013		<u>217,325</u>
Amortisation		
At 1 January 2013		156,062
Charge for the year		(15,199)
On disposals		(17,715)
At 31 December 2013		<u>123,148</u>
Net Book Value		
At 31 December 2013		<u>94,177</u>
At 31 December 2012		<u>165,053</u>

During the year, the purchase consideration payable in relation to the acquisition of TankTech Services Limited was finalised and settled. The revised purchase price was £103,790 lower than originally expected with this adjustment being reflected in goodwill.



**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**11 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2013	30,700	5,010,248	77,818	271,515	105,611	5,495,892
Additions	-	155,057	-	-	641	155,698
Disposals	-	(1,331,735)	(22,017)	(224,168)	(21,256)	(1,599,176)
At 31 Dec 2013	<u>30,700</u>	<u>3,833,570</u>	<u>55,801</u>	<u>47,347</u>	<u>84,996</u>	<u>4,052,414</u>
Depreciation						
At 1 Jan 2013	25,672	3,474,547	45,872	191,941	97,791	3,835,823
Charge for the year	5,027	456,875	10,082	17,108	2,944	492,036
On disposals	-	(1,088,950)	(15,220)	(180,129)	(17,249)	(1,301,548)
At 31 Dec 2013	<u>30,699</u>	<u>2,842,472</u>	<u>40,734</u>	<u>28,920</u>	<u>83,486</u>	<u>3,026,311</u>
Net Book Value						
At 31 Dec 2013	<u>1</u>	<u>991,098</u>	<u>15,067</u>	<u>18,427</u>	<u>1,510</u>	<u>1,026,103</u>
At 31 Dec 2012	<u>5,028</u>	<u>1,535,701</u>	<u>31,946</u>	<u>79,574</u>	<u>7,820</u>	<u>1,660,069</u>

The leasehold property above relates to a lease with less than 50 years unexpired.

**12 STOCKS**

	2013 £	2012 £
Raw materials	52,546	33,393
Work in progress	157,197	14,076
	<u>209,743</u>	<u>47,469</u>

**13 DEBTORS**

	2013 £	2012 £
Amounts falling within one year:		
Trade debtors	1,601,406	1,949,296
Amounts owed by group undertakings	280,719	117,445
Other debtors	198,779	175,665
Prepayments and accrued income	99,778	54,505
Deferred taxation (note 14)	115,646	139,800
	<u>2,296,328</u>	<u>2,436,711</u>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

14 DEFERRED TAXATION

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

	2013 £	2012 £
Included in debtors (note 13)	<u>115,646</u>	<u>139,800</u>

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

	2013 £	2012 £
Balance brought forward	139,800	(28,394)
Profit and loss account movement arising during the year (note 8)	<u>(24,154)</u>	<u>168,194</u>
Balance carried forward	<u>115,646</u>	<u>139,800</u>

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

	2013 £	2012 £
Accounting depreciation in excess of capital allowances	<u>115,646</u>	<u>139,800</u>

15 CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	178,830	374,500
Amounts owed to group undertakings	986,794	1,037,680
Corporation tax	81,736	168,464
Other taxation and social security	219,480	348,659
Other creditors	284,089	286,596
Accruals and deferred income	252,637	306,265
	<u>2,003,566</u>	<u>2,522,164</u>

The amount due to a group undertaking within one year is in respect of a loan from the immediate parent undertaking which bears interest at a fixed rate of 4% and is repayable on demand.

16 CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	<u>-</u>	<u>1,314,319</u>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

17 PENSIONS

The group contributes to a defined contribution scheme for which the pension charge in the company for the year amounted to £47,133 (2012 - £77,996).

18 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings</b>	
	2013	2012
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>85,000</u>	<u>111,200</u>

19 RELATED PARTY TRANSACTIONS

Transactions with entities in which the J. & J. Denholm Limited group of companies has control of 100% of the voting rights are not disclosed as permitted by Financial Reporting Standard No. 8 - "Related Party Disclosures".

20 CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	Number	£	Number	£
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Ordinary 'A' shares of £1 each				

21 PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	286,146	(187,610)
Profit for the financial year	1,091,007	473,756
Dividends paid	(700,000)	-
Balance carried forward	<u>677,153</u>	<u>286,146</u>

**DENHOLM MACNAMEE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	1,091,007	473,756
Dividends paid	(700,000)	-
Opening shareholders' funds	<u>1,286,146</u>	<u>812,390</u>
Closing shareholders' funds	<u><u>1,677,153</u></u>	<u><u>1,286,146</u></u>

23 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Denholm Oilfield Services 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 consolidates the financial statements of the company, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.